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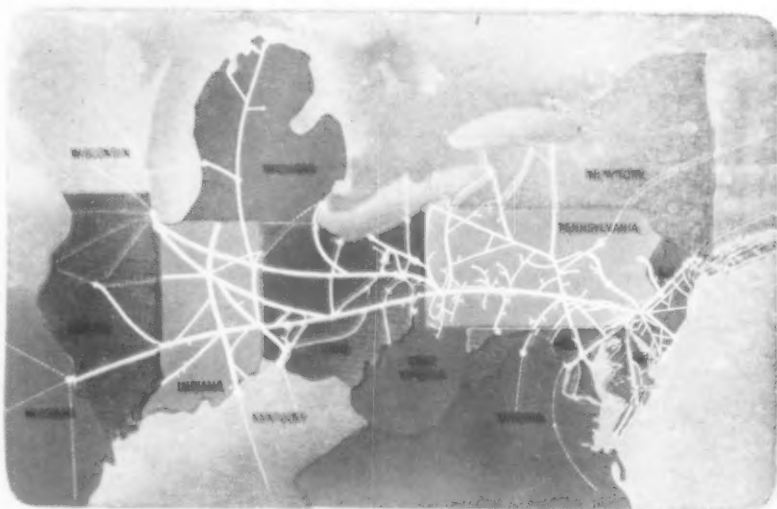
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Nation's Business

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VOL. 35

OCTOBER, 1947

NO. 10

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About Our AUTHORS

FRANK C. HANIGHEN came to Washington in the spring of 1940 to cover the defense program for a national publication. So, his present survey of the new economic program directed by President Truman and Secretary Marshall is a resumption of the same news beat. But now he finds a new cast of characters and, fortunately, greater harmony among them than was prevalent in the days when Knudsen and Batt slugged it out with Sidney Hillman and Leon Henderson. Hanighen learned his foreign affairs in the '30's as a correspondent in Europe for the *New York Post* and the *Philadelphia Record*. He covered the Spanish Civil War and the Munich crisis, as well as doing general reporting in Britain and most of the Continent. In 1944, he teamed up with Felix Morley to start the publication of "Human Events," a newsletter dealing with foreign and domestic affairs.



Like one of his characters in "You're Richer Than You Know," **PAT FRANK** is the author of a best seller, "Mr. Adam," which has sold some 200,000 copies and is being reprinted in several languages. And, like his fictional character, it took Pat many years to hit the literary jackpot. For the past ten years he has been writing short stories and articles for magazines. But he got his start as a writer at 18, working for the *Jacksonville Journal* for \$6 a week. Later, he became a rewrite man on the *New York Journal*, a feature writer for the *Washington Times-Herald*, and chief of the Washington Bureau of Overseas News Agency.

Pat says he works in an office like any business man. He goes there every morning whether he feels he can do any creative work or not, and the psychological effect of going to an office spurs him into writing. At home there might be too much temptation to play with his two kids, Perry and Pat.

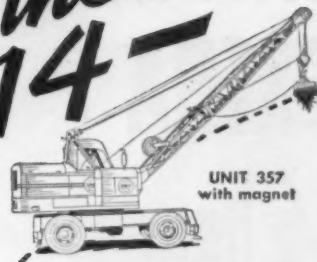
It has been only recently, as chairman of the powerful House Appropriations Committee, that

REP. JOHN TABER of Auburn, N. Y., has held the spotlight as the nation's leading budget-pruner. However, Taber didn't come by this position overnight. Ever since he was first elected to Congress a quarter of a century ago, he has served on this Committee and has devoted all his energies toward keeping extravagances out of the federal budget. Today, he is sometimes referred to as the "Watchdog of the Treasury," and "Taberized" has become synonymous with what happens when the Appropriations Committee gives some departmental budget the works. Representative Taber is a graduate of Yale University and New York Law School. He was admitted to the New York Bar in 1904 and practiced in his home town until his election to the Sixty-eighth Congress.

When **ELVON L. HOWE** can't be found on the Sunday Desk of the *Denver Post*, it's ten to one that he's off on some junket. Like the one he just recently made to Kansas and Oklahoma to see if there really was "a windsock on almost every barn." On his tour of the area perhaps he didn't take in every barn, but he did see and fly with a great many members of the flying farmer movement which has its roots there. It is this movement which he has written about in "Wings on the Old Gray Mare." When last we heard from Howe he was about to shove off on an air tour of Alaska.

Checking back over the long and varied career of **DAVID CUSHMAN COYLE**—author and consulting engineer—we learned that he was the structural designer of several famous buildings, including the United States Chamber of Commerce Building in which we work. The same thing goes for the Washington State Capitol. Coyle received an A. B. from Princeton in 1908 and a C. E. from Rensselaer Polytechnic Institute in 1910. Then he went to work for a New York firm of consulting engineers. In 1930 he began practicing in his own name. On the writing side of the ledger he has turned out several books, including "The Irrepressible Conflict—Business vs. Finance" and "The American Way," Harper prize winner in 1938.

2 MEN Do the Work of 14—



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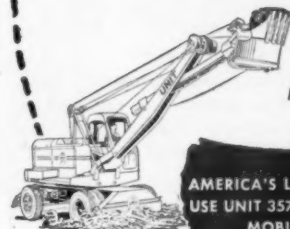
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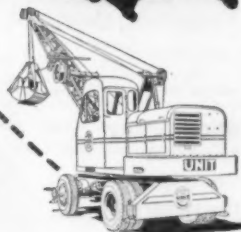
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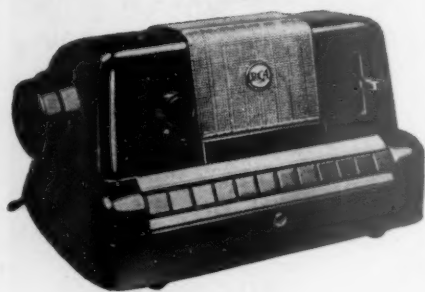


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NB Notebook

Everybody's job

NEXT year while candidates and issues are expected to bring out a record vote in the national elections, another powerful influence will be working to boost the balloting. In fact those elections may begin to reflect some results from the biggest public service campaign that the Advertising Council has launched since the war.

The American Heritage Campaign got under way on Constitution Day, Sept. 17, in Philadelphia when the Freedom Train started its year's tour of 300 cities throughout the country. The train carries scores of original American documents, headed by the Declaration of Independence, for public inspection in the 48 states.

The American Heritage Foundation, of which Winthrop W. Aldrich is chairman and Thomas D'Arcy Brophy, president, was created as a non-partisan, non-profit organization to carry out this educational program urging Americans to preserve their freedoms through greater participation in the processes of national, state and local government. Community rededication weeks will be held in the cities the Freedom Train visits.

The public service advertising campaign was proposed by the Foundation. "Freedom is Everybody's Job" is the slogan that will flash in newspapers and magazines and on billboards, window posters and car cards. The ether waves will resound to it. Millions of dollars in donated space and in national advertising will spell out the lessons of better citizenship.

Bond trade

TRADE got a boost from the veterans' bonus of 1938 but a lot of the money was used to pay off debts accumulated in the depression years. Cashing of terminal leave bonds of World War II may mean

more business because there is less debt to pay off.

Personal obligations were liquidated with wartime earnings and savings piled up in their stead. Employment meanwhile has been maintained at exceptional levels though high prices have taken their toll of family income.

Trade gets two stimulants this fall—the terminal leave payments estimated at \$1,800,000,000 and the loosening up of credit terms after Nov. 1 when Regulation W ends. The big financing companies have indicated that they mean to keep a tight check on consumer credit terms and not let them get out of hand as they once did.

Consumer credit is around the \$11,000,000,000 mark and, percentage-wise, this is not considered high at the present volume of business. When the World War I bonus was paid in 1938 the credit outstanding was only \$7,000,000,000.

FTC crusade

THE Federal Trade Commission might be called the business MP, and business men, like GI's, don't like MP's. A newcomer to this agency, Lowell B. Mason, soon made it clear that he didn't like some FTC tactics either, and stumped some of the country attacking picayune complaints, involved legalisms and "hit or miss" prosecutions.

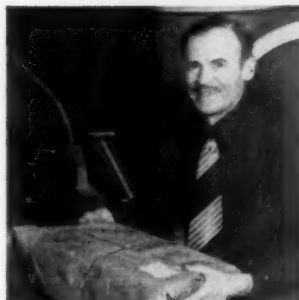
Business men did not sit on their hands while Commissioner Mason was addressing them. But they are not going to get the green light on dubious practices regardless of Mr. Mason's crusade.

In a policy statement adopted by unanimous vote (Mr. Mason included) the Commission has made only one concession to its minority member. It will call trade practice conferences of its own volition, as it is permitted to do, when it appears that questionable practices are so prevalent in an industry

Ask people who live in Chicago and Northern Illinois



Pilot*. . . "I'm a transatlantic pilot but my home is in Chicago. This town of mine has really become a world port . . . only a few hours from practically any foreign country. Chicago is a great place to live."



Mail Order Checker*. . . "Every day I see products being sent to all parts of the country and abroad. I know our packages get quick delivery because transportation from here is the best in the world."



Switchman*. . . "My job is shunting cars in the greatest rail yards in the world. I see rolling stock from practically every railroad. It's to my advantage to work at the heart of the country's transportation industry."



Retail Buyer*. . . "Women who shop here enjoy the tremendous advantages of this great central market. I like living in Chicago because of the cultural opportunities and the warmth and neighborliness."



Housewife*. . . "My husband and I love living in Chicago. We've so many good friends. It's a healthful place to raise the children, too . . . and there are lovely parks and playgrounds nearby."



Farmer*. . . "Northern Illinois land is rich and it's a help to be near the biggest food processing center in the country . . . and only a few hours from the large distributing center in Chicago."



Manufacturer*. . . "To me, Chicago and Northern Illinois is a practical 'department store' of industry. Within a few hours I can visit enough suppliers to put my small firm in mass production."



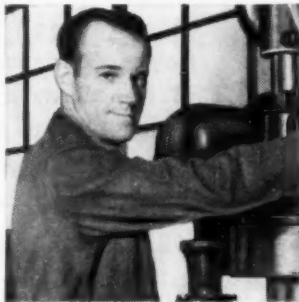
Towboat Captain*. . . "Working on these river towboats I can see how much water transportation helps Northern Illinois industries. This waterway is one of the world's busiest freight channels."



Merchant*. . . "I like doing business in this area because the people are industrious and progressive. Northern Illinois is a garden spot . . . we have good schools, good living conditions and wonderful opportunities."



Commercial Artist*. . . "Mine is a 'double-life'—part farmer and part businessman. My Chicago job keeps me indoors, but week-ends I enjoy an entirely different life on my farm in Northern Illinois."



Drill Press Operator*. . . "When this factory located only 10 minutes from my farm home in Northern Illinois I got a chance to use the mechanical training from the army. And, I can still live on the farm."



Factory Owner*. . . "One of the important reasons I like doing business in Northern Illinois is that many people here are established home owners. Some workers have been with us for over 40 years."

*Name on request

Industries in this area have these outstanding advantages: Railroad Center of the United States • World Airport • Inland Waterways • Geographical Center of U. S. Population • Great Financial Center • The "Great Central Market" • Food Producing and Processing Center • Leader in Iron and Steel Manufacturing • Good Labor Relations Record • Tremendous Coal Reserves • Good Government • Good Living • Good Services for Tax Dollar • Send for free booklets containing useful information on these advantages.

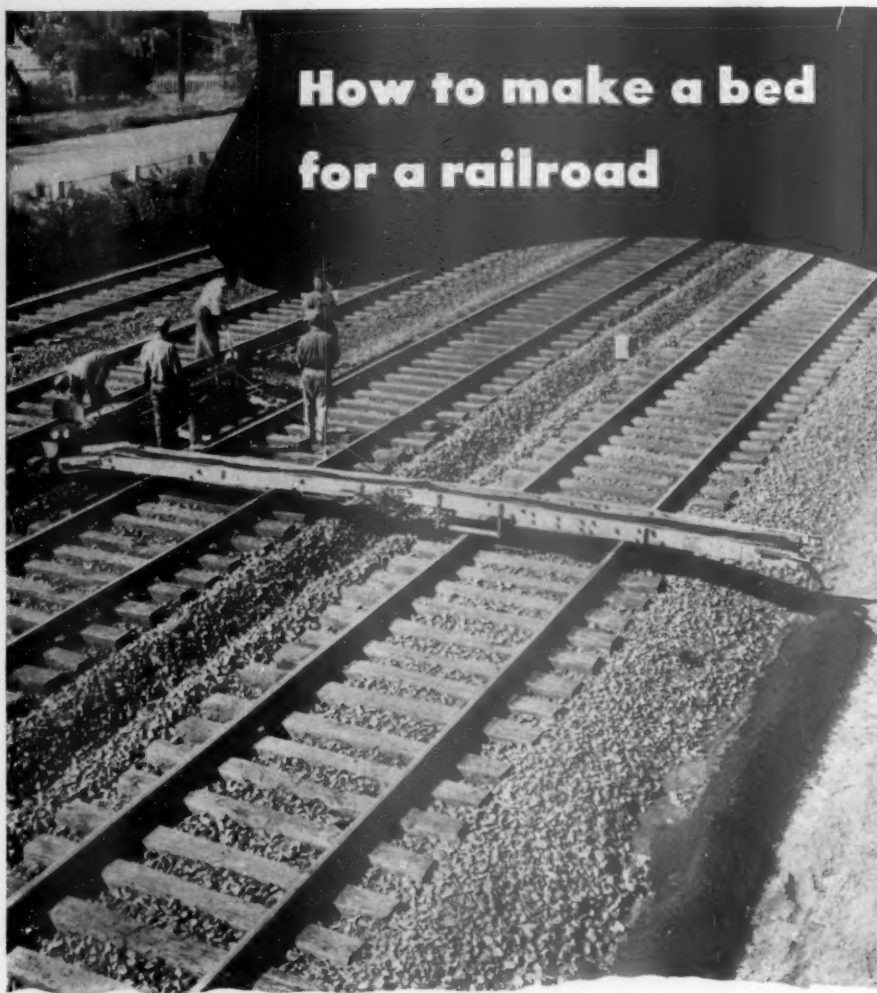
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This area has power resources of 2,500,000 kilowatts, with 500,000 kilowatts more already under construction or on order.



How to make a bed for a railroad

You are looking at a "mechanical mole" regularly used to clean the ballast on the Erie roadbed.

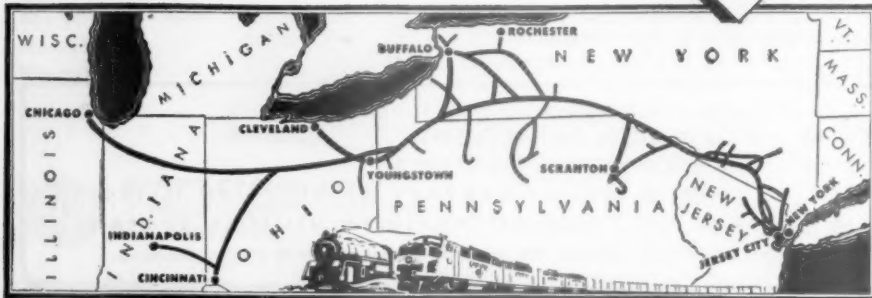
This ingenious machine forces a cutting plate into the stone ballast to a depth of 8 inches or more. Up comes the fouled ballast and out goes the dirt and cinders to be deposited away from the track. Then clean stone goes back into place to give good support for ties and track.

A clean, strong roadbed means a smoother ride for passengers, less vibration and less shifting of freight. Continuous maintenance, plus specialized service for handling all types of freight, have given Erie a nation-wide reputation for safe, dependable transportation.

Whatever the commodity, marking it, "Ship via Erie" is your assurance of its arrival in good condition.

Erie Railroad

SERVING THE HEART OF INDUSTRIAL AMERICA



that they may be more effectively reached by that process. However, violators will not get full absolution merely by signing the trade rules.

So perhaps Commissioner Mason has won part of his point after all through broadening of the rules of procedure, though there will probably be no let-up on individual complaints. Opinion to the contrary, the FTC record of making its complaints stick is excellent. Nevertheless one change it ought to consider is to release complaint and answer together. In cases where its complaint does turn out to be a dud, reputations are badly mauled without redress.

Surplus specter fades

FEARS expressed concerning what the huge surplus of war goods would do to peacetime markets have all but disappeared. The War Assets Administration reports that better than 70 per cent of the \$27,000,000,000 worth of property declared surplus has been sold. Except in a few lines, such as machine tools, the effects appear to be trivial as general supply and demand conditions indicate.

The impact of these supplies was not sufficient apparently to check rising prices although it may have been enough to hold down price inflation to some degree. Shortages were relieved here and there, particularly in the case of plant facilities, which might have snarled up some major operations in industry.

Economic literacy

WE HAVE often been called a "nation of economic illiterates" and yet somehow or other we have managed to make our economics work while some more "intelligent" countries don't seem to be doing too well. However, we do talk baseball and golf, and the majority of us, no doubt, would not know what Gresham's law is if it bit us.

Nevertheless, since the war, management has learned a lot in economic matters, partly through its own efforts toward better planning and more particularly through its clashes with labor on economic issues extending well beyond the former range of wage rates, hours and working conditions.

Similarly, labor union members are learning more about the facts of economic life through the publications issued by their organizations. School learning was a dusty business when compared with some of the attractive studies which the big unions put into the

hands of their memberships. The old-time ranting and raging at capitalists has gone the way of personal journalism. In its stead are business reports and charts which rate favorably with what the bosses themselves produce.

Economic illiteracy, therefore, may be on its way out even though the tavern talk is still about battling averages and prize fights.

Bands as an index

SOME surprising figures on sales of salad dressing suggest the possibility of devising a business barometer from such data. Booming business sends the lettuce applications soaring. When it comes time to economize, maybe the dressing is omitted.

From salad dressing to band uniforms is quite a jump, but a worsted mill agent once said he could always tell when a depression was due because his sales of uniform cloth suddenly began to jump. He explained it this way: "When everybody has a job there is no time for practicing in a band. When the jobs go, the bands start up again."

Cutting paperwork

PURCHASING agents, as well as sales executives, are taking a sharp look these days at what small orders cost them to handle. One estimate is that 50 per cent of the paperwork represents less than five per cent of the over-all dollar volume. Ways and means have, therefore, been evolved to consolidate a lot of this detail.

R. M. Morrison of The Texas Company explained to a purchasing agents' forum that, by use of simplified practice, the number of purchase orders was reduced 40 per cent with a corresponding reduction of one third in the number of individual invoices received.

Export dilemma

WHEN you have a country that in production can surpass any on earth and almost a combination of all others, how do you find a way to sell and be paid? That's the question Uncle Sam faces now as he did after World War I.

In the '20's we made foreign loans to pay for our export balances. Then the loans were defaulted in many instances so, as a net result, we gave away the merchandise in excess of our direct and indirect imports.

Various suggestions are offered to solve the export dilemma. More



a lot for a little

Lowest-priced item in the family budget, but so indispensable it would be cheap at any price, is *water*. You can still buy your 300 gallons per day (average family consumption) for less than a dime.

Yet operating costs of public water supply systems, like living costs, have gone skyward. The fact that there has been no general increase in water rates throughout the country, despite higher costs, is a tribute to the efficient and economical operation of America's water supply systems.

A factor in the economical operation of water supply systems is cast iron pipe because of its low annual maintenance cost and unequalled long life.

The low cost of water is the more remarkable when you consider that it is collected, stored, processed, distributed and made available at the turn of a faucet or a fire hydrant. Cast Iron Pipe Research

Association, T. F. Wolfe, Engineer,
122 S. Michigan Ave., Chicago 3, Ill.

This cast iron water main has served the City of St. Louis for 111 years.



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IT IDENTIFIES CAST IRON PIPE



A Pioneer in Pensions

Bell System Plan for Employee Pensions and Benefits has been in effect for thirty-four years.

Long before there was any thought of Social Security or of pensions by most companies, the Bell System instituted a Pension Plan for its employees. The plan went into effect in 1913.

The Bell System Pension Plan was not only one of the first pension plans but it has continued to be one

of the best for employees. The full cost is paid by the Company. The employee is not called upon to contribute anything.

16,967 Bell System employees (10,769 men and 6,198 women) were receiving pensions at the end of 1946.

The Pension Plan is part of a comprehensive Benefit Plan that also covers sickness, accident, disability and death payments. These were paid to more than 110,000 employees and their dependents in

1946. During that year, one Bell System employee in every seven benefited directly from the sickness provisions alone.

All of this is in the interest of the public as well as telephone employees. Because for you to have good service we must have good people to give it to you.

These Pension and Benefit Plans are part of the Bell Telephone Company's responsibility as a good employer and a good citizen in every community in which it operates.

BELL TELEPHONE SYSTEM



imports are, of course, the obvious answer except to industries that consider themselves likely to suffer from foreign competition. Foreign investment on sound lines is regarded as the next best solution. It is recalled that England in our early days had a large share in the financing of our railroads and in the opening of the West.

Several big corporations are experimenting now with import operations as an offset to export sales. The much more general plan, however, is investment in foreign enterprises which will be backed up in many cases by supplying the "know how" information so vital to success.

Home business

"REPORT cards" are serious business in many households after vacation, so the utilities are missing no bets in emphasizing the part that better lighting plays in better marks. According to one estimate, some 1,200,000 boys and girls fail each year because of poor vision. Poor lighting causes eye strain which affects vision.

Experts have said that the educational age of students in well-lighted rooms exceeds that of students in poorly lighted rooms by at least ten per cent.

The utilities have launched a "better light—better sight" drive and are distributing their promotional material far and wide in behalf of the illumination that is needed.

Steel jargon

THE newspaper business has a lingo of its own and so has the steel business. This has prompted the Bethlehem Steel Company to offer free copies of its booklet "Steel in the Making" to newspapermen on request.

The company feels that "Steel's jargon can be a barrier between it and the public. 'Ingot,' 'bloom,' 'billet,' 'Brinell hardness,'" are some of the terms it would define.

Time was when the steel masters might apply some blast-furnace vocabulary to the press and not care whether the meanings were understood or not.

Weed killing

HARVEST results have been much better in many sections this year because of the increased use of chemical methods to control weeds. As the monthly review of the Federal Reserve Bank of Minneapolis notes, weeds were particularly bad

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Easy Going Guy"*

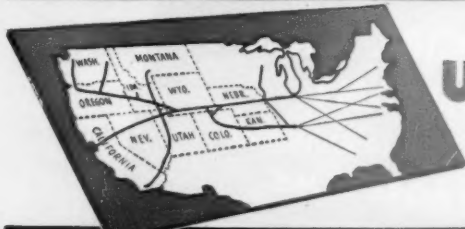


"Don't get me wrong. I put in a hard day's work. But when business calls for travel, I take the line of least resistance ... go the easy way ... by train.

"Then I relax completely ... get a good night's sleep ... order what I like in the diner ... stroll around as I please. It's sort of like a vacation on wheels. And when I get where I'm going, I'm really fit to carry on."

* * *

Sounds sensible, doesn't it? Next time you plan a trip west or east, ask about Union Pacific's daily Streamliner and other fine service. It's the easy, enjoyable way to travel.



**UNION PACIFIC
RAILROAD**

ROAD OF THE DAILY *Streamliners*

this year because of the early wet and cold weather which stimulated their growth.

"Control of weeds by the new herbicides is a new technique in farm management," the review explains. "Its economic implications in crop production can hardly be underestimated. Fields that are sprayed or dusted with these chemicals are rendered almost free of broad-leaved weeds."

Reminder

MANY companies have adopted pension plans for their employees—and let it go at that. From time to time, of course, as the veterans retire, their fellow workers receive a reminder of the benefits that will accrue to them, but perhaps the reminder might be more forceful.

The Rohm & Haas Co. and its associates, Charles Lennig & Co., Inc. and the Resinous Products & Chemical Co., of Philadelphia, decided that it might be a good idea to reveal what their retired personnel were doing. On the third anniversary of the pension plan, therefore, almost a score of pictures were obtained for a booklet. Several hobbies were revealed, such as rug weaving, ship model building and collecting old violins. Of course plenty of gardening, carpentry and other related tasks were shown as a pleasure and not as work.

The pictures prove retirement on pension can be a pleasant experience and worth working for.

Company grounds

AS VACATION motorists roamed the country last summer, they had a chance to admire the many new "garden plants" as they may be called to correspond with "garden apartments." Landscaping of factory sites has become a feature of programs aimed at improving employee and community relations.

The American Association of Nurserymen has completed a survey on community relations that shows these weighted replies from a representative list of 510 corporations: Good housekeeping in plants and offices, 539; participation in civic activities, 472; practices regarding visitors, 438; landscaping, 428; contributions to fund drives, 364; and local advertising and promotion, 356.

More than half the companies responding planned additional landscaping. So nurserymen can look forward to having a rich new customer calling himself "Company Grounds."

MANAGEMENT'S Washington LETTER

► **BUSINESS OBSERVER** with remarkable record for accuracy has this to say—
Short term outlook is good; long term, wonderful.

But in between, anything can happen.

Best be ready for "anything" in way of balancing supply and demand, with resulting price adjustments.

► **HOW BIG, HOW STRONG** is market for America's greatly expanded production?

World's minimum needs will not be met this year. Nor next.

Best expert opinion is that we will ship goods to meet minimums despite dollar shortages, other obstacles.

At home—

U. S. population increase since 1929 equals twice the population of Canada—often our biggest export customer.

Which means we have equivalent of two extra Canadas to feed, clothe, house, equip and supply.

How to test strength of the market?

Take another look at today's prices.

► **HERE'S A QUESTION** to ponder as you watch upswinging prices.

What's pushing them up?

With few exceptions, they are free prices bid up in a free market.

There's strong competition, strong bidding among consumers for butter and meat, automobiles and clothing—for most of the things you buy.

That indicates strength of the purchasing power. And purchasing power is what moves goods.

► **HIGH PRICES ALWAYS** are high income to someone.

They do not endanger the economy, the business level, as long as goods move.

You may pay so much for food that you can't buy furniture—but the farmer can.

Or you may have bought so much furniture you must scale down on food—but the furniture man does all right.

Today's prices are redistributing the nation's wealth.

Watch for the changes in your customer field. Concentrate your effort on wealth's newer locations.

► **SAME FREE MARKET** that bid up prices can bring them down gradually, without a bust.

No doubt day will come when many people will say to hell with it—a pound of butter just isn't worth the price.

Or a day when price attracts enough butter production to meet demand.

Then what happens?

Price of butter (substitute your own product) will slide. Or less of it will be produced. Or both.

Such adjustments are continuous in a free market. Even today.

Recent example: Tires.

Supply finally caught up with six-year-old demand.

Prices dropped. Trade-ins came back. Some sizes carry prewar (or even lower) price tags.

Production schedules call for fewer tires next year. But far more than in prewar years.

► **BUT WILL TOO MANY** people suddenly say to hell with it, about too many things?

Possibility of that worries many economists.

It's in the back of the minds of those talking about "dangerously" high prices.

But they find no proof that such an emotional phenomenon is in view.

Chances of it are lessened by lean, healthy condition of inventories.

This enables merchants to adjust quickly to changing market conditions, to avoid morale-shattering sellouts.

Note: If sudden break should come, you'll get no advance notice.

By the time signs appear it will have happened.

► **YOU COULD SELL** millions of Ford automobiles today for \$500 each.

You could sell them by telephone, almost as fast as you could get answers.

But how many could you sell for \$10,000 each?

Not one.

Somewhere between two such figures lies the point where Fords (substitute your product) no longer would sell.

No one knows where it is. But every rise takes the price closer to it.

► **CLASSIC ECONOMISTS** see two bright red warning signals in present trends.

One, continuous advance of commodity prices above historic levels.

The other, widening distortions in the traditional relationships of prices.

Historical prices are those which have prevailed for many years.

Take wheat, for example:

Historically wheat sells for the cost of producing it, or very little more.

Wheat cost today is estimated at an average of about 80 cents a bushel, including the farmer's living.

Thus, on a historical basis wheat

MANAGEMENT'S Washington LETTER

should be selling for 80 cents, instead of \$2.10 or so at the farm.

Traditional prices refer to relative prices of pork chops to shirts, of automobiles to houses.

Let's use wheat again as our spectacular example:

In 1939 this grain averaged 69 cents a bushel at the farm.

It took 1,300 bushels to buy a \$900 automobile.

Last month's on-the-farm price for wheat averaged a little over \$2.10. Price of the \$900 car meanwhile had jumped to \$1,400.

But even so, the car now costs the wheat producer only 650 bushels, or half the 1939 price.

Increased yield has given the farmer an even better bargain.

His 1939 car cost him 90 acres of grain. His 1947 car, 33½ acres.

Many economists contend present price relationships cannot last.

Why?

"Because they never have."

► BUT DESPITE PRICE distortions, relative levels, the fundamental strength of the U. S. is unimpaired.

We have—

Capacity, skill and materials to produce basic needs of industry.

A transportation system unequalled anywhere else in the world.

An aggregation of 140,000,000 people, no large part of which is in any serious difficulty.

Stable government, of which there are few in the world.

High efficiency, which is rising. Unlike most countries whose efficiency is low but rising.

A nation nearer peacetime economy than any other major power in the world.

A country where an even break—a 50-50 bet—still is the custom.

► KEEP THESE POINTS in mind as you see tumbling totals on U. S. exports:

World need for U. S. goods is real.

Government is convinced of it.

World's orders can be filled nowhere else.

Government is determined to see that they are filled.

Government will ship dollars, take any other steps it deems necessary to meet

world needs.

Drop in shipments of non-essentials will cut export total to last quarter monthly average between \$800,000,000 and \$1,000,000,000.

That's an annual rate of about \$10,000,000,000, compared with \$15,000,000,000 rate during first six months.

Impact of drop will be felt more in manufactured goods than foods.

Emphasis for next few months will be on grains, raw materials.

Which may be good news to domestic customers of U. S. business.

It may mean, for example, you'll wait not quite so long for that new car.

► U. S. GOLD RESERVES have increased by about \$1,500,000,000 in past year.

Here's how:

Foreign government, bank, or business owes for U. S. goods, but lacks dollars.

So it ships gold to its New York bank, (probably Chase National or National City) which credits it to depositor's account at government-fixed rate of \$35 per ounce.

Bank sends gold through Federal Reserve to Treasury which stores it (you guessed it) at Fort Knox.

Foreign depositor draws checks against its bank account to pay U. S. bills.

Koreans charge Russians ship gold from north Korea mines, use it to buy U. S. goods.

► FARM EFFICIENCY—now packing rural banks with cash—will intensify problems when (or if) food demand drops.

Food productivity this year is running 40 per cent above 1935-39 average.

That's with acreage about the same.

And it has been accomplished during severe shortage of fertilizer, farm machinery.

Farm specialists find plenty of room (particularly in Midwest) for further increase.

Fertilizer is used sparingly or not at all in many areas.

So still greater productivity is likely.

Supply has exceeded demand for grapes, raisins, some grades of canned vegetables, citrus fruits. Prices on these have skidded.

► FUTURES TRADERS ARE BETTING on another year of world-wide food shortage—and backing their judgment with cash.

Which means (if they're right) another year of high level food prices.

July wheat futures (that's 1948 grain) last month were selling only 12 per cent under current levels, record high.

If traders' forecast proves accurate,

meat will remain high, possibly move higher, because corn moves with wheat.

High priced feeds will mean high priced poultry, eggs, butter.

Even fruits and vegetables will be affected because of farmers' tendency to plant higher priced crops, cut production of others.

Present value of 1948 grain reflects, among other things, belief that neither administration nor Congress will let farm prices drop in election year.

► **WHETHER YOU'RE RUNNING** a steel mill or a peanut stand, your transportation costs will take a sharp jump.

The \$438,000,000 a year raise granted non-operating rail brotherhoods, added to other cost increases, will bring freight rate rise close to the 27 per cent railroads seek.

The 15½ cents an hour raise won by railway express employes probably means similar jump in package shipment rates.

Rise in Pullman rates (ranging from 1 per cent to 48 per cent) will bring a sizable bounce in salesmen's expenses.

And all of it soon will find expression in higher costs, higher prices.

► **CONSTRUCTION LUMBER** prices probably will break this month.

Peaks developed as upsurge in building coincided with high point of grain movement.

Railroads couldn't supply needed cars and builders began bidding up prices in rush to grab lumber to keep construction jobs going.

Lumber men say prices will settle down soon as grain shipments start seasonal drop off this month, freeing cars to move lumber.

General inventory at mills and at retail level is twice last year's, they add, calling it "reasonably comfortable."

► **WHAT VETERANS NEED NOW** are loans to help them get OUT of business.

That's conclusion of one vet who's been trying his hand at exporting.

The line becomes increasingly overcrowded by two groups:

Veterans who made plans, overseas contacts during war, and

Refugees who made sales outlet arrangements before they left home.

Since buyers often will finance deals (and pay agent who arranges them 5 per cent) exporting can be entered with little capital.

Occasional jackpots—a retired admiral whose office is in his hat tells friends he made \$30,000 in a day—add attraction to the business.

MANAGEMENT'S *Washington* LETTER

But there are drawbacks.

On critical items Government issues export licenses to "traditional" (pre-war) firms on basis of prewar volume.

Only about 10 per cent of critical volume goes to new firms.

Unofficially, Government wishes all exporters would improve practices.

Increasing complaints reach Washington from consulates abroad.

Most common: Quality below that ordered, shipments damaged due to poor packaging, excessive delays.

► **CONSTANTLY RISING DEMAND** for petroleum products will drive prices higher.

That's long-range view of many oil men who privately list these three stages in the fuel's future:

1. Future demand (now more than 5,000,000 barrels daily) will outrun new oil discoveries.

2. This will cause imports to skyrocket, bringing in oil from Near East, Venezuela.

But rapidly growing world competition eventually will limit imports.

3. Limitation will force development of domestic synthetic oil industry.

Note: Nearly any specification motor fuel or oil can be made synthetically now, but cost is high.

► **BRIEFS:** Cuban army pilots will fly U. S. built planes on network giving Cuba world's first domestic all-airmail service....Normalcy notes: Two automatic washer makers offer salesmen free Florida vacations as sales prizes. Department stores are again canvassing "charge it" customers they haven't seen for a while. Pottery producers ask more tariff protection from German, Japanese, British competition. Scotch sales lagged but beer gurgling rose 15 per cent in summer just ended compared with 1946 warm months....International Association of Machinists has one twin-engine airplane in use, two more on order....One import to U. S. from Europe has risen sharply and government is trying to stop it. It's opium....Higher costs and sustaining demand prevents expected autumn drop in paint prices....Dept. of Progress, video div.: Walter S. Gifford, in New York, saw Herbert Hoover, in Washington, as they talked over television telephone —20 years ago this year.

World's Largest Makers of Portable Electric Tools

mechanize payroll preparation with a National

Expanding rapidly, The Black & Decker Mfg. Co. found manual preparation of its payroll an ever-increasing burden until a National Payroll Machine was installed. Now, all employees' records are run in one operation. And the 2300-name payroll completed in a single day.

Black & Decker further reports: "a very simple adjustment makes it possible to use the machine also for analytical work; including analyses of closed manufacturing orders, scrap reports (by departments to be charged), invoice distributions, etc."

Have your local National representative show you how the National Payroll Machine records all necessary figures* at a single operation. All records are originals. All exactly the same. All entries clear, legible, and easily understood. All proved correct at time of writing.

Mechanization of payroll is just one of the many advantages that National Accounting Machines bring to business. They also make possible the mechanization of accounts receivable, accounts payable, stock records, salesmen's commissions, sales distribution, etc. All accurate, all balanced, all up-to-the-minute at any instant!

* Such as: the hours worked, the gross earnings, the Federal Withholding Tax, the Federal Old Age Benefit and other deductions, the total earnings to date, the income tax withheld to date, the old age benefit withheld to date, and the net pay.

One National Payroll Machine prepares the payroll for some 2,300 Black & Decker employees in the home plant at Towson, Maryland, and in 26 sales and service branches.



THE NATIONAL CASH REGISTER COMPANY
Dayton 9, Ohio. Offices in principal cities



National
CASH REGISTERS • ADDING MACHINES
ACCOUNTING MACHINES

Testing Black & Decker Sanders
before final assembly.

TRENDS



OF NATION'S BUSINESS

The State of the Nation

VACATIONS are over. The children have returned to school. And a touch of melancholy tempers the autumnal beauty of the dying foliage. Indian Summer is only an interlude. Soon the winds will strip all color from the trees.

Because Americans are still at heart an agricultural people, among whom intimate knowledge of the soil is widespread, a change of season means more than is apparent to one who only knows our cities. In spite of all our mechanical contrivances, in spite of activity almost immune from climatic influence, we remain susceptible to the vivid lure of spring and to the gentle warnings of autumn. Something of what these transitions meant to the pioneers is in our blood.

Among phrases which linger to recall our rural background is that which advises the impractical or ill-informed person to "get down to earth." On the pavements of congested city streets this saying no longer has any literal meaning. But still we use it, because everyone knows instinctively that earth responds, with hostility or in cooperation, to man's approach. Whether it bears crops or weeds; whether the soil grows fertile or impoverished; depends on the intelligence, the energy and the assiduousness of the individual cultivator. Let us, before the ground is frozen, "get down to earth."

• • •

Regardless of actual weather conditions, the winter now close at hand is certain to prove one of the most exacting that this Republic has ever

faced. It will be more, not less, difficult because there will be relatively little physical hardship to stimulate our political thinking and because inescapable and far-reaching decisions will not, as in wartime, shape themselves in a form seemingly susceptible of only one answer.

Two years ago, during the brief Indian Summer of optimism which followed the collapse of the Axis, the average American looked forward to a "One World" prospect of international good will. In a moment of time, as measured by history, the promise of the United Nations has faded like an autumnal leaf. Nobody in his senses now regards it as effective insurance against yet another world war. Everybody can see that its value, as an organization for preserving peace, is even less than that of the old League of Nations, designed by an American President who had the wisdom to avoid the pitfall of the veto power.

Two years ago, while fully conscious of the difficulties of reconstruction, most Americans nevertheless confidently anticipated recovery in liberated Europe, along "democratic" lines. There was little expectation that the economic picture in countries outside the Russian orbit would grow steadily worse, and that the devices of National Socialism, subjecting the individual to all manner of governmental restrictions, regulations and regimentation, would be adopted as permanent policy by Great Britain and France.

Two years ago, though it was clear that there would be differences between the United States and Russia, the general disposition here was to



Above: INTERNATIONAL MODEL KBR-11
Truck Tractor with semi-trailer



International Engineered Truck Parts — Fit more accurately, wear better, last longer. New improvements introduced into current production.

International Approved Truck Accessories — Heaters, Defrosters, Fog Lights, Sanders — everything needed for winter safety and comfort.

Other International Harvester Products — Farmall Tractors and Machines . . . Industrial Power . . . Refrigeration.

Tune in James Melton . . . on "Harvest of Stars" Sunday! NBC Network . . . See local newspaper for time and station.

Winter Transport

NEEDS INTERNATIONAL TRUCK SERVICE

**Get Trucks in Shape Now . . . at
International Dealers and Branches**

Truck transport's a grueling job in tough winter weather. Cargoes must get through—products of farms and factories for our homes, for commerce and for industry.

International Truck Maintenance Service is the answer. This *specialized* truck conditioning is quickly available everywhere from thousands of International dealers and the nation's largest company-owned truck-service organization — International branches.

It catches truck troubles while

they are little. Prevents major failures. Enables trucks to operate better and speed deliveries.

And International Truck Maintenance Service, regularly carried out, lengthens truck life. It pays off every way on every trip. Take advantage of it now for winter hauls. Give your trucks the best so they can give their best to you. *Give them International Truck Maintenance Service.*

Motor Truck Division
INTERNATIONAL HARVESTER CO.
180 N. Michigan Ave., Chicago 1, Ill.



INTERNATIONAL Trucks

INTERNATIONAL

regard these as relatively unimportant. Those who had really studied Communist doctrine, and who from their knowledge ventured to point out that Soviet Russia has an intelligent and never relinquished program of world domination, were denounced as "fascists" for their pains. Today, few would deny that the Russian fifth column is far more dangerous to America than any intrigue ever directed from Germany, and that the Nazi threat to our security was mild compared with that of the Communists.

Something serious has affected the thinking of a free people when they can be deceived as completely, and in consequence disillusioned as rudely, as has been the case in this country during the past two years. Evidently it is high time, politically speaking, to "get down to earth."

Our System of Government

What this means, for every truly patriotic American, is a personal revaluation, which at the outset demands a clearer understanding, of his own system of government.

There is no mystery about the philosophy and plan of government laid down by the founders of the Republic and incorporated in a Constitution which has endured, with relatively slight modification, for 160 years. Unfortunately, however, some are inclined to think that this is a subject to be studied in school and neglected thereafter. One could as rationally argue that the alphabet is something to be memorized in childhood and then forgotten. Citizenship is much more than a subject for youthful inquiry and a theme for Fourth of July orations. It is also the cohesive element in our free and voluntarily cooperative way of life.

It is particularly appropriate that we should devote mature thought to our system of government during the months which will determine the selection of presidential candidates. And, in a sense, it is fortunate that postwar disillusionment promises to reach its climax in the year of a presidential election. The date of 1848 is famous for the outburst of intense political activity which then swept over all of Western Europe. Perhaps 1948 will see a comparable awakening in America.

The objective in this country, however, is increasingly one of restoring values, as contrasted with the revolutionary aims which were natural and appropriate in Western Europe a century ago. In 1848, the ordinary people of those countries were everywhere demanding that political absolutism should be replaced by representative institutions; that men should be freed from the dictates of class government. This was the liberal slogan which led to spontaneous popular risings in France, Germany, Austro-Hungary and Italy, to lesser demonstrations in England, Holland, Denmark and Switzerland. If constitutional gov-

ernment had then been more widely achieved, the demand for proletarian dictatorship in Europe would be less strident today.

The risings of 1848 had little influence over here because the people of this country already enjoyed the benefits of classless government for which the Europeans were struggling. But the influence of American ideas was like yeast in the ferment of Europe then. In the century that has elapsed, the wheel has unfortunately come full cycle. The European theory that man exists to serve the State has made great headway in American thinking.

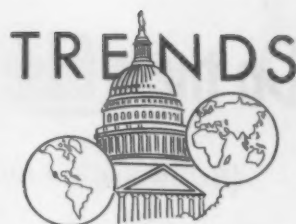
Since America began to copy European ideas of totalitarian government, from the provision of social security to the adoption of conscription, the influence abroad of our original philosophy of freedom has naturally dwindled. And Soviet influence gains because its propagandists are forthright in saying that the State should plan all things for all men, while we have become timid in advocacy of our own political thought. To point with pride to our plumbing and our nylons is not enough, for the people who count are always those who place the pursuit of an idea ahead of the enjoyment of comforts.

Our Aims Are Confused

The dismal failure of our foreign policy during the past two years is at bottom due to this moral confusion in our thinking. A century ago the overseas influence of this country was enormous. Today we have many more soldiers and dollars to enforce our national purpose, but no longer any clear idea of what that purpose is. It will profit us nothing to swap the principles of the Republic for a stockpile of atomic bombs.

So our problem, as this political year opens, is clearly one of restoring the vitality of the American tradition. And to accomplish this is not a matter of increasing taxes, or establishing new federal agencies, or of further developing any other kind of governmental planning. It is simply a matter of reasserting our dignity as individuals.

In a crisis such as now besets us, the individual is likely to feel that he can accomplish little. In fact, only the individual, by self-reliant exercise of responsibility in his home, his work and his community, can accomplish anything fundamental. Fortunately for America the great majority of the plain people of this country have not wasted the past two years as their government has. Today we can be confident in our strength not because official planning has been successful but because, from Maine to California, millions of plain people are "getting down to earth."



OF NATION'S BUSINESS

—FELIX MORLEY

Do these false beliefs keep you from converting to aluminum?

(Below are 4 *misstatements* commonly applied to aluminum. Have *you* made any of them?)



1. "Aluminum is not readily adaptable to my product"

Fact: Kaiser Aluminum comes in a wide range of alloys to meet every type of manufacturing operation, and can be formed, drawn, spun, brazed or joined. It can be painted or polished, or finished in almost any way you choose. To select the alloy specifically suited to your requirements, simply call on a Permanente Metals' engineer.



2. "Aluminum costs too much"

Fact: While prices of other materials have steadily risen, aluminum is now *at the lowest price in history*. Figured *not* on a per pound basis, but on *unit cost*, aluminum prices (which include freight charges) compare favorably with those of any other metal or material. In addition, savings made on handling, finishing and shipping cut costs substantially.



3. "My competitors aren't converting. Why should I?"

Fact: Scores of manufacturers are speeding their products to market — by converting to aluminum. That's true of makers of general appliances, residential buildings, air conditioning units, heating and ventilating ducts, garage doors and window frames, office appliances and cabinets . . . *plus dozens more*. Their experience can help *you*.



4. "I can't be sure of a steady, long-term supply"

Fact: This is *especially* wrong *today*. For Permanente Metals *now* offers you a new source of aluminum . . . Kaiser Aluminum. In but a single year of operation Permanente Metals' mammoth aluminum plants produced 175 million pounds of plate, sheet, and strip aluminum. Almost as much as the entire industry produced in the most productive year before the war.

To the above facts add these . . .

Aluminum's resistance to corrosion cannot be matched. Nor can its strength per pound — it can give you the strength of steel at one-third the weight.

Aluminum's appearance can put an extra sparkle of *saleability* on many products, giving them a competitive edge.

In the light of all these *facts*, can you

afford *NOT* to investigate the possibility of converting to aluminum? Call any Permanente Metals' office and an experienced sales engineer will be on the job, for *you*!

Ready to serve you—today . . . **Kaiser Aluminum**

a Permanente Metals product

DISTRIBUTED BY PERMANENTE PRODUCTS COMPANY, KAISER BLDG., OAKLAND, CALIFORNIA . . . WITH OFFICES IN: Seattle, Wash. Oakland, Calif. Los Angeles, Calif. Dallas, Texas Wichita, Kan. Kansas City, Mo. St. Louis, Mo. Atlanta, Ga. Minneapolis, Minn. Milwaukee, Wis. Chicago, Ill. Cincinnati, Ohio Cleveland, Ohio Detroit, Mich. Boston, Mass. Hartford, Conn. Buffalo, N. Y. New York City, N. Y. Philadelphia, Pa. Washington, D. C.

The Month's Business Highlights

A MONTH ago observers, who occupy points of vantage, feared the situation was out of hand. They now are more hopeful. Prices have not increased as much as they anticipated. Inflation has not gained runaway proportions. Efficiency in production is increasing rapidly. Shortage of goods is an inflationary factor that is being gradually overcome item by item. The effect of anti-inflationary forces has been underestimated. Excess receipts by the Treasury is one factor that has tempered the upswing. American exporters will not continue to ship goods for which the dollars are not likely to be forthcoming.

There still is a feeling that the best thing that could happen would be a mild recession. A jolt of that sort would prompt caution and would entail less sacrifice than would result were the decline to be from a higher level.

Fighting High Prices

One reason for encouragement is that employer resistance to wage increases is continuing. There was apprehension that the coal settlement would influence employers to be indifferent to wage increases as long as they could be passed on readily in a sellers' market. There now are indications that employers are not so short-sighted. They know that the wage rate is the most inflexible item in cost. If rates of pay are established that cannot be maintained, they could not be adjusted quickly if the situation should require a reduction in selling prices. Many employers would not be in a position to continue operations in a period of uncertainty or stress. They are refusing to climb out on that limb. The rank and file of wage earners appreciate the situation. Less pressure for wage increases has developed than was expected. Labor leaders have been so intent upon finding ways to circumvent the Taft-Hartley law that their attention has not been concentrated on wage increases.

There also is an increasing realization that the public resents any move likely to result in higher prices. Labor is in no position to trifle with public opinion. To some members of Congress, the Taft-Hartley act is only the beginning. They believe a majority of the people want more stringent regulation of union activities.

Any course followed by union leaders which rubs the public the wrong way would improve the chances of such legislation.

TRENDS



OF NATION'S BUSINESS

Now that the situation following the coal settlement has had a chance to stabilize, the analysts are comparing the autumn of 1947 with that of 1919 when postwar conditions were similar in some respects. They conclude that we are in better shape now than then.

The brightest spot in the present outlook is the prospect for maintaining production at the high level of the past 12 months. Although chances are against any marked increase in the present rate of output, it is exceeding current demand in an increasing number of items. Investment in the latest improvements in machinery and equipment is three times greater than the prewar rate. This is helping to fill vacuums and to have a bearing on prices.

Such declines in production that have taken place are regarded as temporary. Consumers have the money to buy but they are becoming increasingly discriminating. Prices do not have to decline much, however, to bring them back into the market. Those who feared a shortage in buying power were wrong. Decline in demand is much more likely to come from abroad. Fixed income groups and unorganized labor have lost buying power, but this has been made up by the increased incomes of farmers and organized labor.

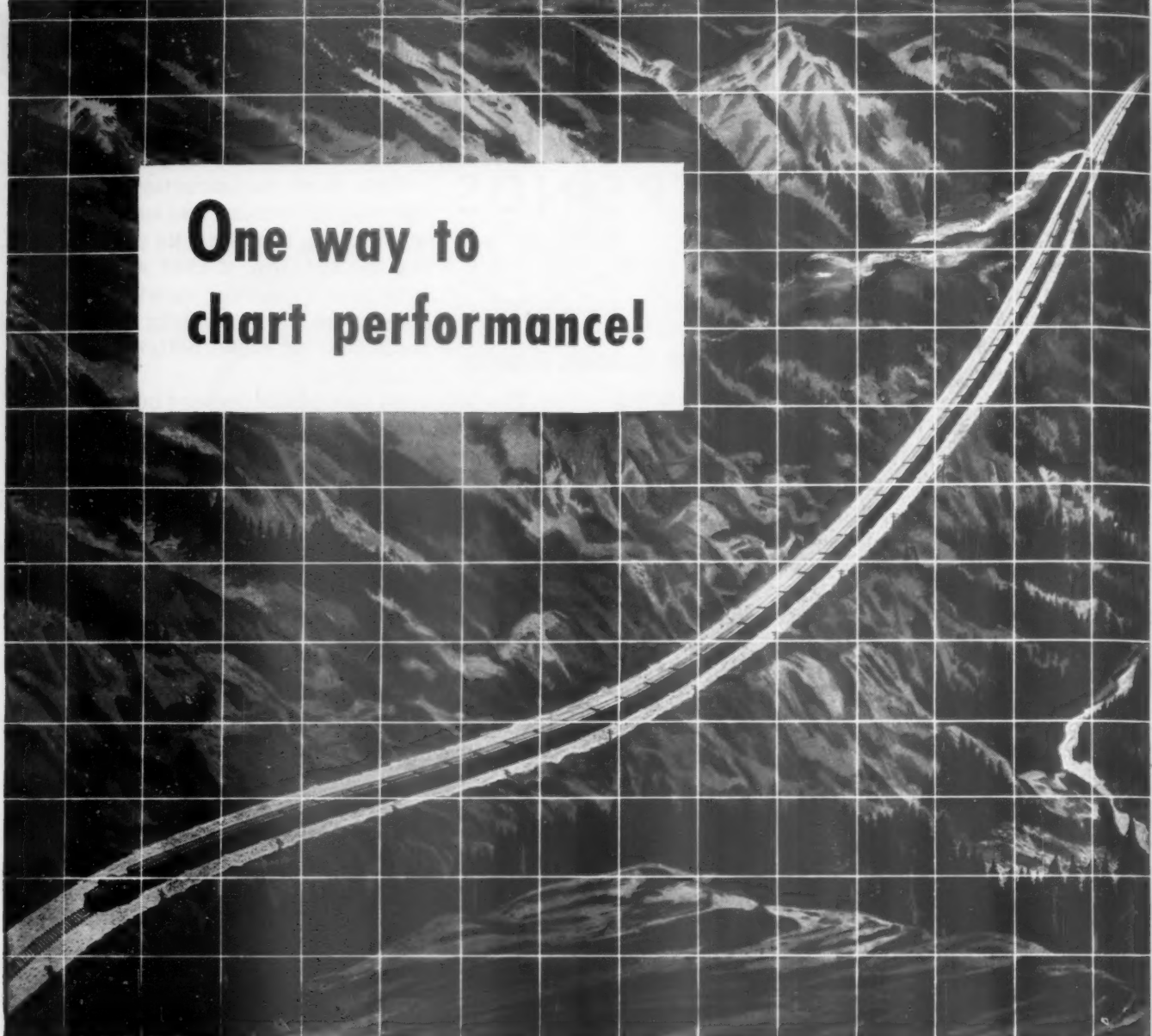
A great injustice is being done those with fixed incomes and workers not in a position to force wage increases. An effort to grant relief to those groups will be made in the new tax bill. Since prices have gone up along with increased wage rates and the farmers have had to pay more for what they buy, little benefit has come to anyone.

Economic Foreign Policy Needed

A well thought out foreign economic policy is perhaps the outstanding need of the moment. If Europe is thrown to the wolves, the long-run effect would injure American business more than anything else that could happen. However, the most unwise thing that could be done would be to provide dollar credits indiscriminately. Future loans should not be for charity, but to restore trade and industry and speed the day when western Europe can take care of its own needs and have more to export.

Buying for the Christmas trade has reversed the trend in the production of textiles. In the spring the outlook was for lower prices. As a result, buying for inventory at that time slumped

WHAT EVERY BUSINESSMAN SHOULD KNOW ABOUT HIS PARTNER—THE RAILROADS



One way to chart performance!

American industry and American farmers are turning in a magnificent performance—the kind you chart with a climbing curve!

The performance record of the railroads can be charted the same way.

For your railroads are hauling freight at the rate of more than a million tons a mile every minute: raw materials... finished products...and farm produce in staggering quantities.

In fact, American railroads are hauling *more tons more miles than ever before in peacetime!*

And they are hauling this biggest peacetime traffic in history with fewer cars than they had on V-J Day.

Railroads have not been able to get new freight cars fast enough to replace those worn out in wartime service. About 90,000 new cars have been delivered and put to work. But they have not come as fast as they were needed. More than 110,000 additional cars are on order.

Railroads are currently furnishing about 90% of the cars shippers want—when they are wanted. And they will

keep on doing their level best to speed the day when they can furnish *all* the cars that shippers need—on the day they are needed. *Association of American Railroads, Washington 6, D. C.*

To maintain this finest transportation in the world...

... the railroads must earn an adequate income.

Over the last 25 years—and that includes the war years—the railroads have earned an average of only 3⅓% on their net investment.

Most people think 6% would be no more than fair.

And 6% is the minimum return the railroads need to continue to provide the kind of transportation you want.

American Railroads

THE NATION'S BASIC TRANSPORTATION

sharply. Prices, with a few exceptions, did not reflect the decreased demand. Consumer purchases continued at a high level. In physical volume demand was as great this summer as it was a year ago. As a result, buying for inventory began again. Then came the coal settlement which gave new ground for the belief that textiles, after all, were not overpriced. Unfilled orders, however, are much lower than last year. Export demand was another important factor in the situation. In apparel lines there has been a marked return of better quality.

Suspension of the convertibility of sterling was a blow to our business and to our plans for the restoration of world trade. It would have done more harm, however, had the step been delayed. In view of price increases here, the chaotic situation in Europe and the flight of capital from the pound, suspension came as no surprise. No country can maintain convertibility when outpayments greatly exceed inpayments.

The British are gritting their teeth. They are determined to regain economic stability. When that people grit their teeth they are likely to accomplish their purpose. They become formidable. The Labor Government has fumbled badly but it is profiting from its mistakes and may recover some of the ground that has been lost. It hardly is within its power, or within the power of any government, to restore Britain to its former degree of international importance or to make possible the standard of living its people desire. For economic reasons as well as for mutual defense, a closer union between the United States and the United Kingdom seems inevitable.

Suspension of convertibility will reduce the volume of our exports. That will be helpful to us in the present situation. It will reduce the pressure behind prices of agricultural and other overpriced American products. Exports not balanced by imports do not constitute a firm foundation for foreign trade.

The surplus over the budget provides a fund certain to be drawn upon for future aid in European reconstruction. Consideration also must be given to the large outlays that will be made when the next cycle of unemployment makes its appearance.

Russia and Reconstruction

The world situation continues to be menacing in most of its aspects but there have been encouraging developments. The firm attitude taken toward Russia is having noticeable effect. The Soviet bear is still rampant but it is more conscious of its limitations. It is better understood in the United States that it is Russia's fear of us and our fear of Russia which frequently is the stumbling block in relationships. Western Europe no longer is haunted by the fear that the United States might leave it to work out its own salva-

tion unaided. The change in the political control of the legislative branch of the Government has revealed no evidence of a change in the determination of the United States to stand behind democratic countries.

Successful outcome of the Inter-American Conference provides an example the European countries will not overlook. The fact that Russia has made more progress in integrating its satellites is a challenge to the countries of western Europe. England has lost none of its interest in plans for European reconstruction, despite its own economic difficulties. Russia gambled that domestic difficulties would divert attention from the Continent thus giving her a freer hand. The Soviets now may have misgivings as to whether there will be a major depression in the United States.



While demand continues to exceed supply for most commodities, the list of articles easily obtainable is growing noticeably longer. This indicates that many adjustments are taking place without affecting over-all trends. An unprecedented amount of vacationing has absorbed large sums that otherwise might have been spent for goods.

Uncertainty as to the future is not the only influence slowing down industrial spending. Much of the deferred replacements, expansion and modernization have been completed.

Legislators from farming sections take exception to claims that agricultural prices are out of line. In terms of income, the lawmakers admit that the farmers as a whole are getting nearly three times what they received in income in the 1935-1939 period, but the same is true of average weekly earnings of factory workers and of business profits. Farm specialists readily agree that it would be safer to have prices lower but they insist that wages and profits should come down in substantially equal proportions. Demand for farm products has been difficult to meet. There has been a ten per cent increase in the population. Food consumption per person has gone up 15 per cent. To this has been added an apparently insatiable export demand.

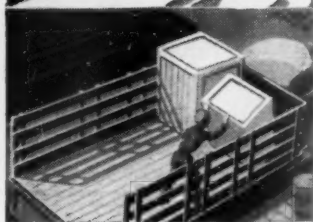
The increasing trend toward decentralization is not confined to manufacturing plants. In anticipation of uncertain days ahead when buying will be on a more hand-to-mouth basis, wholesalers are setting up branch offices and warehouses at key points. In addition to the more prompt deliveries thus made possible, there is the advantage of being on the ground in each important sales area.

PAUL WOOTON

Let's take a trip
(on this page)



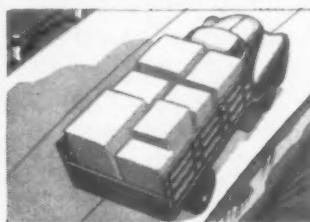
... and see why Chevrolet's many advance features place the new Chevrolet trucks far ahead of the field!



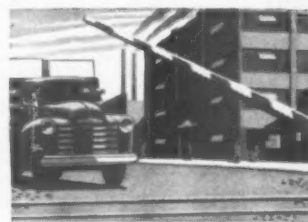
Load 'er up! Discover **MORE EFFICIENT LOADING** in stake and high rack bodies... **MORE LOAD SPACE** in panels and pick-ups. That means there's **LESS TIME** on the job—more profit in the haul!



Ready to roll with your full cargo and full driver comfort! Your new Chevrolet truck's **LONGER-THAN-EVER WHEEL-BASES** give you far better load distribution, resulting in less wear and strain.



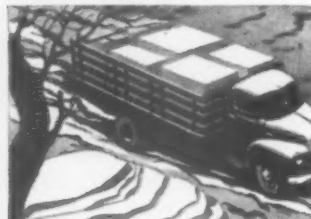
Geared for the grade! Feel the pulling power of that **VALVE-IN-HEAD ENGINE**. Your Chevrolet Thrift-Master or Load-Master engine gives greater economy than any other engine of like capacity.



A quick, safe stop, thanks to exclusive design for greater brake-lining contact that makes Chevrolet's **HYDRAULIC TRUCK BRAKES** the best in the test on all kinds of roads... in all kinds of weather!



Bad road ahead, but the **FULL-FLOATING HYPOID REAR AXLES** are geared for the road. The larger, roomier cab is **FLEXI-MOUNTED**, rubber-cushioned against road shocks, torsion and vibration.



No rattles in the rear! Your Chevrolet truck's **FRAME** is rugged, rigid, sturdier and stronger, with new cargo capacity—built to carry greater loads greater distances for a longer time!



Your **NEW CAB THAT "BREATHES"** almost literally "inhales" fresh air—"exhales" used air. Fresh air is *drawn in* from the outside—heated in cold weather—and used air is *forced out!** Seat is adjustable. Larger windshield and windows increase visibility by 22%!



It's streamlined in body, cab, fenders and hood—rugged, reliable, safe and powerful, in **ADVANCE DESIGN!** Built to increase owner prestige and profits, they're tomorrow's trucks for today's businesses, and provide your trade with transportation unlimited!



New Advance-Design CHEVROLET TRUCKS

WITH THE CAB THAT "BREATHES"

*Fresh-air heating and ventilating system optional at extra cost.



CHEVROLET MOTOR DIVISION, General Motors Corporation
DETROIT 2, MICHIGAN

Washington Scenes

THE war talk, so prevalent in the United States today, is not echoed in the National Capital. Hardly anybody in high place here—certainly not President Truman or Secretary of State Marshall—stays awake at night worrying about World War III. This is so in spite of the fact that the Government's foreign policy, aimed at halting Russian expansion, is the boldest and toughest in American history.

Of course, nobody can say unequivocally that there will be no war. As General Eisenhower has remarked, a war could start "stupidly"—even though no great power wanted war. It must be admitted, too, that there are grave risks in what the United States is doing in Greece and Turkey. But there also would be grave risks in doing nothing or adopting a policy of appeasement. The point is, neither at the White House nor at the State Department is there the same apprehension that one finds in the hinterland.

On a recent trip across the United States, I was asked again and again about the prospects of war. Some of those who mentioned it were alarmed, some just appeared to take a war for granted. A man associated with the Hollywood film industry said, "You're from Washington. Tell me, when do they expect the war to start?" He seemed to be surprised that I was not able to give him at least an approximate date.

Diplomacy Becomes Undiplomatic

A possible explanation for all this is the great change that has come over the language of diplomacy, a change brought on by the diplomat-dialecticians of Soviet Russia. Bluntness has taken the place of obliqueness. The Russian Communists, always great ones for epithets and ferocious language in their Stalinist-Trotskyite quarrels, have brought their tough talk into the world arena. As a result the Americans and British have had to take the gloves off, too.

Senator Vandenberg, chairman of the Foreign Relations Committee, caught on to this as far back as the first London meeting of the United Nations a few months after the war. The Michigan statesman must have been shocked at first by the pugnacity of Soviet Vice Commissar Vishinsky. Gradually, however, he came to admire him and also British Foreign Minister Bevin.

Reporting to the Senate later, Vandenberg praised Vishinsky and Bevin for using fighting

TRENDS



OF NATION'S BUSINESS

words as "a substitute for guns and swords." At the same time, he struck indirectly at pussy-footers in the State Department and demanded that America "abandon the miserable fiction . . . that we somehow jeopardize the peace if our candor is as firm as Russia's always is."

Vandenberg has never had to repeat that demand. Under Secretary Marshall, the State Department has pursued a policy of bluntness that has on occasions shocked even the tough-talking Russians—as, for example, when Foreign Commissar Molotov officially complained against Dean Acheson's charge that Russian foreign policy was "aggressive and expanding." Molotov said that this was "slandorous" and "hostile" to the Soviet Union. Secretary Marshall in an official reply said that the Russians should "not attribute hostility to frankness."

The fact that many Americans have not yet adjusted themselves to the hardboiled, gloves-off type of diplomacy may account for the fact that there is more apprehension over war in the interior than in Washington.

Russia Wants No War Now

There are many reasons why high officials here are persuaded that Russia is in no mood now to provoke a major war. One is her poor economic condition, due both to her sufferings at the hands of Germany and to her industrial backwardness. Another is the horror of war that fills the hearts of the Russian masses. True, a dictator like Stalin does not have to consult the masses; he simply presses a button. Nevertheless, the war-weariness of the people and the dread of another conflict would have to be considered, even by a dictator.

Far more convincing, perhaps, is the fact that the United States has the atomic bomb, and Russia does not have it.

In simple terms, the purpose behind American policy at this stage is to prevent Russia from becoming the No. 1 power in the world. This means, necessarily, a tough and positive policy, since the Russians have only contempt for weakness.

Considering Soviet ideology—the Marxian idea that there is not room enough on the globe for both communism and capitalism—it would be disastrous for the United States to be reduced to the status of a No. 2 power.

By this time the United States has a very good idea of Russian foreign policy. To say, as a British



Fire Prevention Week, October 5th to 11th

LAST year, property lost by fire cost Americans over \$560,000,000.00. Nine-tenths of this could have been saved—because nine out of ten fires are preventable.

Act now to save *your* share of such a loss. Learn and follow each simple fire prevention rule. Ask your Hardware Mutuals representative for a free copy of our Fire Prevention Guide. And for *greater safety*—let him make sure you have adequate fire and extended coverage insurance for your home and business. You'll have sound, full-standard protection—carefully programmed to cover today's increased values.

You'll have the many benefits of the *policy back of the policy*, too. Our claims settlements are speedy, sympathetic. Our service is prompt;

friendly, nationwide. And every year since organization our policyholders have received substantial dividend savings.

Look into the plus-protection of all types of Hardware Mutuals fire and casualty insurance. Licensed in every state, with offices from coast to coast.

Non-assessable Casualty and Fire Insurance for your
AUTOMOBILE . . . HOME . . . BUSINESS

Hardware Mutuals

FEDERATED HARDWARE MUTUALS

Hardware Dealers Mutual Fire Insurance Company, Home Office, Stevens Point, Wisconsin
Mutual Implement and Hardware Insurance Company, Home Office, Owatonna, Minnesota

HARDWARE MUTUAL CASUALTY COMPANY

Home Office, Stevens Point, Wisconsin

correspondent in Moscow once said, that there "are no experts on Russia, only varying degrees of ignorance," is clever, but no longer true.

To be an expert on Russian foreign policy is, in fact, fairly easy, for the very good reason that this policy has never changed. The goal of Moscow still is world revolution.

Now that the romantic illusion of a "new" Russia has been exploded, there is no longer any talk in high circles about Wendell Willkie's "One World." Very definitely there are two: the world of the United States and its friends and the world of the Russian-type of police state. W. Averell Harriman, Secretary of Commerce, has summed up the difference between the two by saying that one "has or aspires to a bill of rights," while the other "neither has nor aspires to it."

Harriman's speech before the Pacific Northwest Trade Association and the Seattle Chamber of Commerce, a few weeks ago, was regarded here as one of the first magnitude. For one thing, it provided a contrast in the views of Harriman and the man he succeeded in the Truman Cabinet, Henry A. Wallace, an avowed appeaser of Russia. Also it emphasized Harriman's superiority over Wallace as an authority on Russia.

Harriman, whose appointment as Secretary of Commerce was hailed on the one hand by Wallace's pal, Sen. Claude Pepper of Florida, and on the other by William K. Jackson, then president of the U.S. Chamber of Commerce, has an impressive background of experience with the Russians.

He first went to Russia as a business man, in the days before he joined the New Deal in Washington in 1934. A couple of months after the German invasion in 1941, he flew to Moscow as head of an American mission on aid to Russia. He went back again with Winston Churchill in 1942. Finally, in 1943, he became United States Ambassador to Russia, a post he was to hold for three years. He was at Franklin D. Roosevelt's side at every one of the great war conferences.

We Are Standard-bearer of Freedom

Looking at Russia now, this multimillionaire who once was so sympathetic sees in her a dangerous "imperialism"—an imperialism that already has submerged the peoples of eastern Europe and "threatens to engulf western Europe." He adds:

"We as a people have learned that, wherever there is a free decision by the people in any country, we have friends. We have learned that, wherever there's dictatorship, whether it be under the guise of communism or fascism, there is a threat to the security and progress of free men. . . .

"The United States now finds itself overwhelmingly the strongest power to meet this threat to free institutions. It would be a pleasanter outlook for us if we could close our eyes to the destiny that

has made us the standard-bearer of freedom. Fortunately, we have learned that we cannot again turn our backs to the world; that we must, for the preservation of ourselves and our own way of life, do our full part in re-establishing economic and political order."

Nowhere does Harriman mention any immediate danger of war.

The Russians, he says, are out to "create chaos" to achieve their ends.

Harriman does not think that the United States ought to be dismayed by the struggle ahead. Here is a nation, he points out, that with less than six per cent of the people of the world, has greater industrial production than all the rest of the world put together. But he recognizes, too, that "strong as we are, we have not unlimited resources."

At the head of a group of 19 distinguished citizens, he is now making a survey to determine just what resources the United States has and how far it can go under the Marshall Plan to help its friends in Europe to get on their feet and thus hold back the communist tide. That survey should be ready sometime this month.



Turning to the national political campaign of '48, already a lively topic here, the Democrats don't know whether to be pleased or frightened by the Eisenhower-for-President talk.

They have a theory that one of the big reasons for the "Draft Ike" movement is President Truman's growing strength. To put it another way, they believe that the Republicans are beginning to fear that Truman might well defeat Dewey, Taft or some of the others that have been mentioned for the G.O.P. nomination.

Reasoning thus, they are encouraged by the efforts to bring the popular General Ike into the picture.

The fright comes when they consider the possibility that Ike may actually become the Republican nominee. Some Democrats, including men close to President Truman, say that a G.O.P. ticket made up, say, of Eisenhower and Stassen probably would sweep the country.

But there also is fright among Republicans. They see a real danger for the G.O.P. if the boom for Eisenhower should be spiked at the last minute by an emphatic "No." The Republican Party, they fear, would then be in the position of nominating a second-choice candidate to run against President Truman. They fervently hope that no such situation develops at Philadelphia.

—EDWARD T. FOLLIARD

NIGHT SHIFT

for merchandise
on **NEW YORK CENTRAL'S**
fast freights



Quitting Time is Starting Time! As the working day ends at factories and warehouses, last minute shipments pour in by truck to New York Central. Expert freight house crews hustle the goods aboard such famous overnight merchandise trains as the red and grey *Pacemaker*.

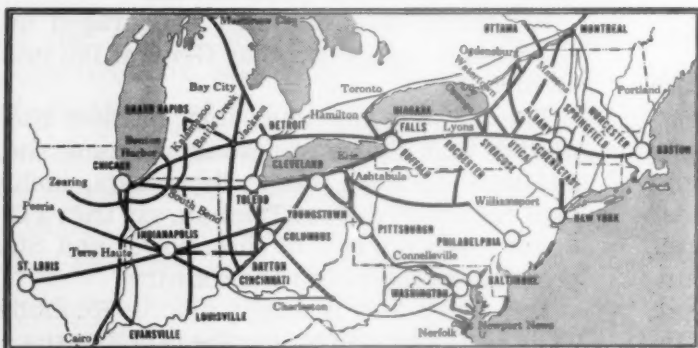


Saving a Day—at Night! Speeding under the stars between New York and Buffalo, the *Pacemaker* clips a full business day from freight delivery schedules to key mid-west markets. And fast merchandise service links major cities along New York Central's 11,000 mile rail network.



Here Today—There Tomorrow! Being able to shift goods speedily means fewer main distribution points . . . smaller local stocks . . . lower distribution costs . . . and more satisfied dealers. It's just one of many important reasons for giving *your* new plant or warehouse a "Central" location.

NEW YORK CENTRAL serves you before and after you pick a "CENTRAL" Location



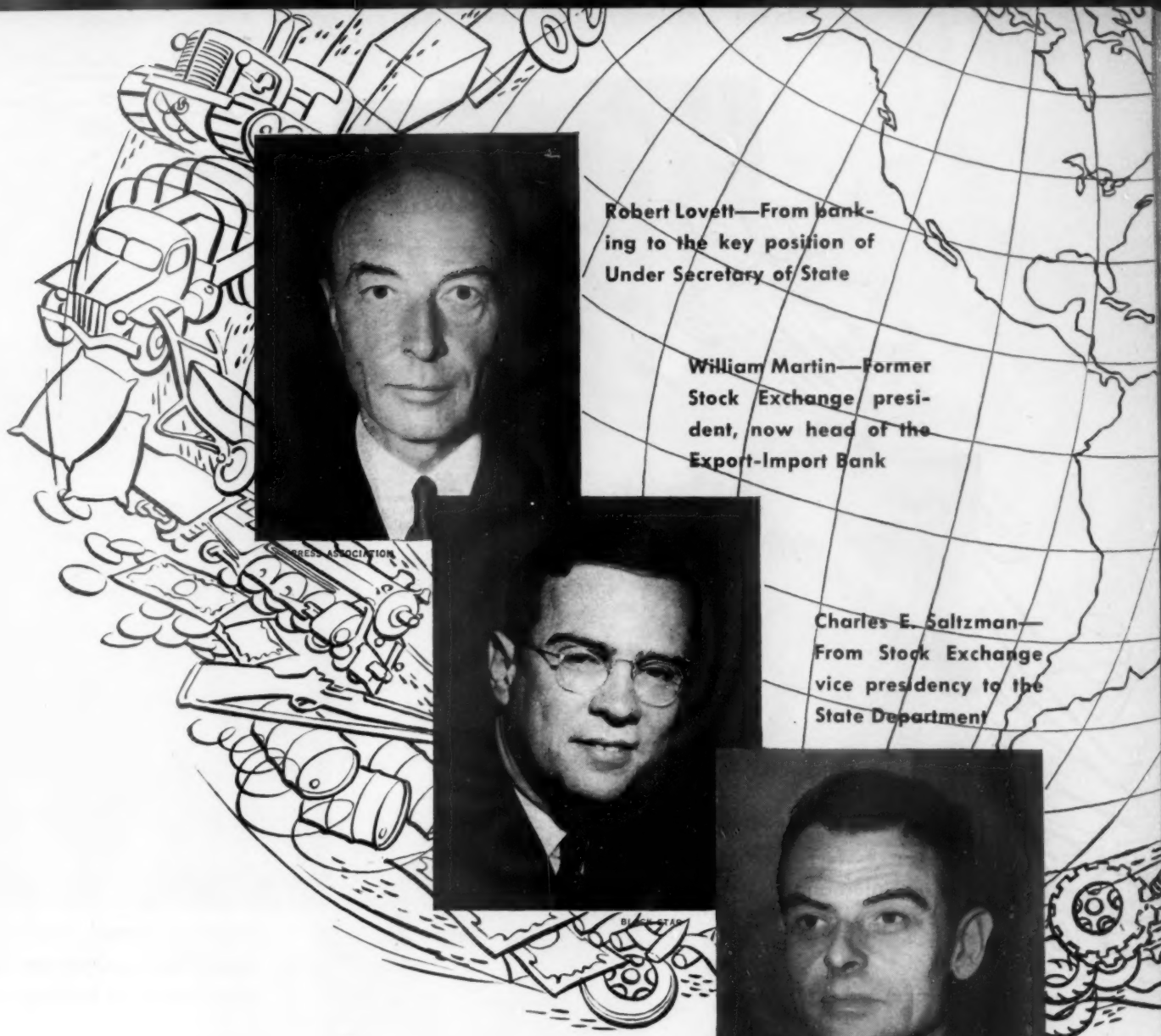
HELP FOR PLANT PLANNERS. Within the New York Central area are concentrated 52% of U. S. buying power . . . 66% of U. S. skilled labor . . . 75% of U. S. bituminous coal and steel production . . . and great ports handling 85% of U. S. Atlantic coast foreign trade. Let us help you find the right "Central" location for your plant or warehouse in this favored area.

HELP FOR SHIPPERS. Ask New York Central for expert help in handling your carload or L.C.L. shipments.

CONTACT our nearest Industrial Department representative . . . or our local Freight Agent. Or write Freight Traffic Dept., New York Central System, 466 Lexington Ave., New York 17, N. Y.

NEW NEW YORK CENTRAL
The Water Level Route





Robert Lovett—From banking to the key position of Under Secretary of State

William Martin—Former Stock Exchange president, now head of the Export-Import Bank

Charles E. Saltzman—From Stock Exchange vice presidency to the State Department

Men Behind

“The TRUMAN MARSHALL Plan”

American business men have again come to the nation's capital, summoned by the Government to cope with an urgent international situation. For the second time in seven years, the Government has found the talents and skills of business essential to the operation of its foreign policy.

Last time, in 1940, the symbols of the defense effort were the machine tool and the foreman's blueprint. Today, these symbols have changed; they are now the credit card and the financial balance sheet—the marshaling of international credit. But they are none the less emblematic of a need

By FRANK C. HANIGHEN

which the bureaucracy cannot fill.

What President Roosevelt sorely needed in 1940 was a rapid gearing of American industry to the production of arms and war materiel. His international strategy was based on utilizing American industrial production as the determining factor in the “war of industries.”

Today, the clash of “two worlds”—the expanding Russian totalitarian empire on the one hand, and the capitalistic and social democratic nations on the other—has given birth to a new American role.

Today there is no problem of production *per se*. The present problem is the allocation of American production—foodstuffs as well as manufactured goods—to the various parts of the globe where friction between “two worlds” threatens peace. This allocation involves close, professional examination of what each country should get, how sound is its financial status and how much we can afford to help it.

Seven years ago, it was a case of arms and the men—the men to produce the arms. Now it is a matter of men and the goods they have to distribute. Roosevelt had to appeal to American business to



PRESS ASSOCIATION
John J. McCloy — For many years a successful lawyer, now president, International Bank



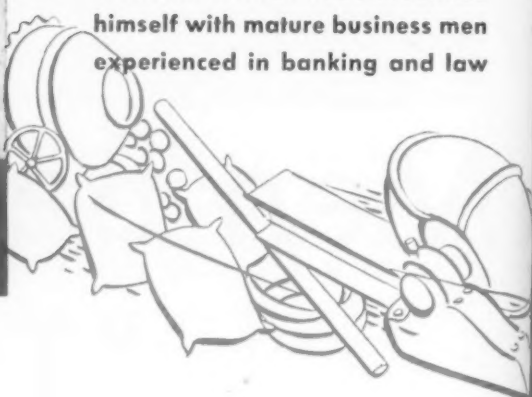
PRESS ASSOCIATION
Will L. Clayton — Cotton trader, now Under Secretary for Economic Affairs



PRESS ASSOCIATION
President Truman has surrounded himself with mature business men experienced in banking and law



Eugene Black — Former vice president of Chase National, now with International Bank



do the job, in a gesture made sensational by the fact that he had previously assailed this element in American life by a class-conscious domestic policy.

President Truman has pursued a much less provocative policy and has fewer political inhibitions. But, to carry out the Truman-Marshall strategy of American economic pressure in the world conflict, he has had to seek the "civilian brass" to implement his policy.

The difference in the categories of business men who have come to Washington in these two crucial years lights up the difference in the kind of effort. In 1940, William S. Knudsen of General Motors led a hegira of industrialists, whose

names were suggestive: Edward Stettinius of the U. S. Steel Corporation; John D. Biggers of the Libbey-Owens-Ford Glass Company; Ralph Batt of the S.K.F. roller bearing company; Thomas Budd of the C.B.&Q. Railway; Donald M. Nelson of Sears Roebuck.

Currently, business men in the Government represent the banking world and its connections more than the industrial world.

Highly significant is the recent appointment of Robert A. Lovett, a partner in the private banking firm of Brown Bros., Harriman Company, as Under Secretary of State.

Lovett is a graduate of Yale, with work in the Harvard graduate

schools. He married the daughter of one of the partners of Brown-Harriman, started as a clerk in the banking house and worked his way up to the position of partner. An aviator in World War I, he became Assistant Secretary of War for Air in World War II and learned government administration under Gen. George C. Marshall, present Secretary of State.

With Lovett came Charles E. Saltzman, who left his job as vice president of the New York Stock Exchange to take the position of Assistant Secretary of State.

William McChesney Martin, Jr., president of the Export-Import Bank, is also a graduate of the Stock Exchange. President of the



INTERNATIONAL NEWS
New Deal ideology will have no place in our world-aid program set forth by Secretary Marshall



INTERNATIONAL NEWS
Robert Garner—came from General Foods to the International Bank



INTERNATIONAL NEWS
Lewis Douglas—Former insurance company president, now Ambassador to Great Britain



Andrew Overby—Formerly a banker, now represents United States on the International Fund

PRESS ASSOCIATION

Exchange in 1941, Martin was drafted as a private in the Army in that year, became a colonel, and after V-J Day entered government service and became president of the Bank. In this job, Martin has strongly resisted efforts by bureaucrats to get him to make "political" loans. He has stubbornly hewed to the line laid down by Congress in its statute setting up the Bank—loans only on a sound business basis.

Characteristic of the trend was the appointment early this year of A. L. M. Wiggins to take the place of the late O. Max Gardner as Under Secretary of the Treasury. Wiggins is a former president of the American Bankers Association.

Gardner was a lawyer. Of transcendent importance is William Lockhart Clayton, Under Secretary of State for Economic Affairs. Clayton is not a banker, but his pregovernment work as a cotton exporter fitted him for the job he holds. A self-made man, rising from position as a clerk in a cotton house, he had to acquire a knowledge of foreign business. In his many years as a cotton exporter, Clayton learned foreign market conditions in general and the psychology of British, French and Italian business men in particular. He became versed in government banking under Jesse Jones in the RFC, which he joined in 1940.

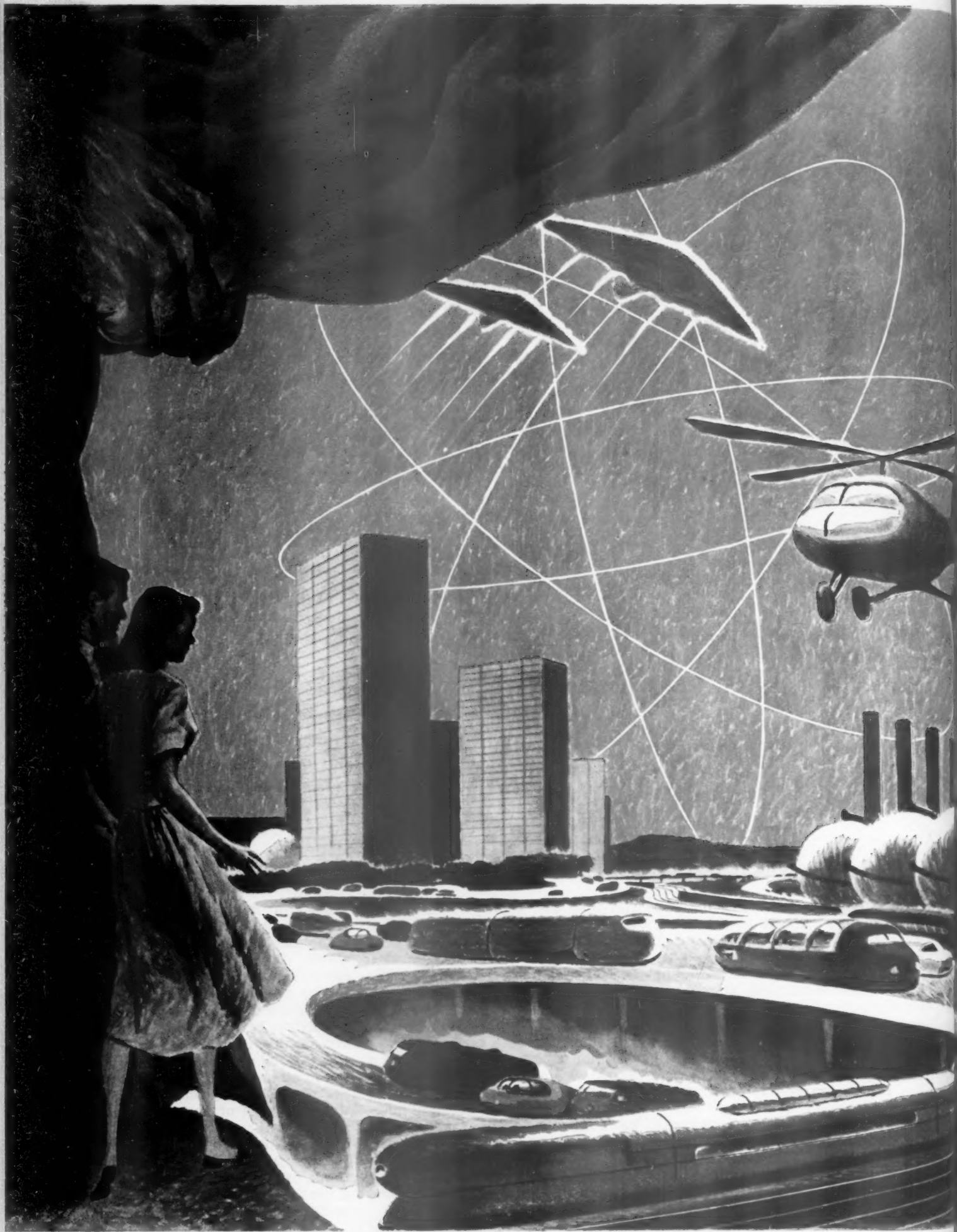
Will Clayton, therefore, is not

exactly a newcomer to government. But his elevation to the post he holds, and its international economic importance, dates from early 1945 when the war was drawing to a close and postwar problems loomed big.

Clayton brings to his task the philosophy of a free-trader—of the Cordell Hull variety. But his two and a half years as Under Secretary have given him realistic experience of the nationalistic attitudes of various foreign countries and their governments.

A lawyer heads the International Bank, but his background has given him a knowledge of international banking. John J. McCloy

(Continued on page 81)



Your Headaches Are Just Growing Pains

By HERBERT COREY

THE NEXT 12 years will be wonderful. We will then have more of everything. More work, more money, more babies, more cream in our coffee.

We're on our way.

By 1960 we will have reached one of the peaks such as you see on market charts. Then we may drift along on a plateau, happy, well fed, with more money in our pockets than we ever dreamed of, driving faster cars on smoother roads, wearing finer clothes, sleeping in bedrooms air-conditioned to a thermometrical hair, bathing in tubs big enough to keep seals in.

That peak of 1960 may be just a stepping stone. We may rise higher. By 1960 every one of us may have most of the luxuries, conveniences and gadgets that only a few have now. It may be necessary to invent new luxuries. The four-day week might shrink to three days. All crops may be raised in troughs filled with pebbles and water. The Marines raised their green stuff that way on the Pacific islands. Today's arable land might be converted into golf courses and polo fields. Abandoned farms might be turned over to deer culture. The lad who finds that courtship is handicapped by prickly heat might be able to put his love in a helicopter and by automatic control hover safely at 10,000 feet.

The reader's fear that the writer has suddenly gone nuts is rebuffed.

These things are not as silly as

◀ **IMAGINATIONS** may run wild in visualizing what one group sees for us 12 years hence. This is just a sample.



Everything within the reach of all

they sound. Students of the five-dollar review of "America's Needs and Resources" published by the Twentieth Century Fund, and of other similar estimates of what we are and can do will conclude that we are better than we ever thought we were, and we always mounted a loudspeaker in our whispering galleries. We have always been able to tot up tangibles. So many more acres plowed, so many more bushels reaped, so many more machine tools than last year; taxes on everything but false teeth. But we have always been a little short on imagination.

We have never fully realized what the kind of people we are can do when we really get a-going.

The old gentleman in Schenectady who thinks the automobile is a passing fad is probably still alive.

Crystal sets were only a toy for

the freshman class in high school not so many years ago. Now we can cook by radio. Radar sees through the darkest night. Television is putting on a sales campaign. No one but the Wright brothers denied that the Wright brothers were nuts. Gasoline was a nuisance in the distillation of the oil to make the kerosene which lighted our cities so beautifully. Simon Lake and others made boats that swam under water. All the admirals laughed like mad. A man who could cradle wheat was tops on any farm. Today caravans of combines sweep the wheat belt all the way to Canada. Not a man in the world foresaw any of these things. If any man had foreseen them, his friends

would have clapped him under hatches before he began to foam. A prophecy of any one of the enormous developments of the last few decades would have sounded like the ravings of a demented hen. All cackle and no egg.

It wasn't the Ford car that forced a network of four-lane roads on us. It was the surge of a growing people who move more or less as a body and in approximately the same direction. Most of them wanted to go somewhere. Anywhere. Ford put four wheels on a funny box and they started. A chemist mixed coal and water and made nylon. The women stood in line from Death Valley to the Bering Sea that their legs might shimmer in concert. Monday had always been washday. A mechanical tub washed and oscillated and dried the clothes and the women lammed for Clark Gable. With one

gasp the women accepted the deep freeze unit and the culinary routine of the 140,000,000 people felt the first thumps of a revolution.

All of us want what we want at the same time and want it badly. New buying habits are established among the buyingest people on earth. There were no sport coats, and suddenly sport coats in barn and pastel colors flaunted on most of the male shoulder blades. The women dimpled their knees at us and then hid them at a signal and the long skirt was in. We sat on broken springs in movie houses that smelled like old brooms. Then someone built a palace—a clean palace, which is an innovation—and all the little towns began to glitter overnight. The new buying habit makes for fast progress, ratchet fashion.

Advance by spurts

THIS way we do not lose any ground. Not really. The study of the trends shows that. They go along at about the same speed from decade to decade, except that the speed of a trend when we were a nation of 60,000,000 people lacked the whammy of a trend in a nation of 160,000,000 people, which we will be in 1960. We're smarter than we used to be, too.

We do not know enough but we know more than we used to know. We farm fewer acres and raise bigger crops. The Twentieth Century Fund shows that, in 1960, we will have more old folks than ever before. Healthier old folks, too. They will work longer as well as live longer. The GI's are crowding the colleges. No previous crop of young men ever had that yen for book learning. They have discovered that literacy pays. All these things are to be found in the Fund's book if you dig for them.

What will not be found is the possibility of another war. That might upset the world's appplecart. Some screwy nation might breed another cockeyed dictator and all the countries might go to throwing atomic bombs at each other. The Gulf Stream might go into reverse. The globe might cant its angle a little and Byrdville in the Antarctic might slip into Winchester, Va., ice and all. Assuming that the world continues to go on its mostly humdrum way, as it has ever since paleolithic man cut out his first pair of leather pants, the gathered statistics might be put together in a picture something like this:

First as to the handicaps we must carry.

Our national debt amounts to

\$7,009 for each family. "It will affect the life of every man and woman in this country," says the Committee on National Debt Policy. The members of the Committee are the Messrs. Big, without exception. It is supported by the Falk Foundation of Pittsburgh. An assumption that men of this sort would cower when they consider the future would seem justified. But the report points out that nations have been helped in managing their war debts by "growing up to them." The nations get bigger a little faster than the debts do. The report cites with approval Prof. Sumner Slichter of Harvard who comments on the long-term growth that has characterized this country in the past:

"Back in 1890 the net national production for the entire year was about as much as we turn out now every 40 days. For ten or 15 years after the war we shall probably see a rapid rise in the national production even though we put only a small part of our annual production into increasing capital. By 1960 we should have a gross



Buyingest people on earth

national production of comfortably over \$300,000,000,000 in terms of present prices. This will be a rise over the present of more than 50 per cent."

Then, he says in effect that we should wake up and see what a fine lot we really are. This is distinctly not a quotation from Slichter, who is a professor and a gentleman, but he might advise us that when we look at a field of corn we should see something beside the cutworms. What he does say is:

"It is not always easy to visual-

ize these future increases in production. It is easy to get into the habit of doing all of one's thinking in terms of present magnitude—a very dangerous habit."

Pop Momand used to run a comic strip on "Keeping Up With the Joneses." Most of us thought we were being admonished for engaging in what the dropped-lip contingent like to call "a mad race." Actually, our habit of spotting the Joneses a coat of paint on the house and raising them a barn is one reason why we have been getting along so well. We step out for the eggnog on Christmas Eve and get home with the newspaper on New Year's morning.

There is a farmer out in what used to be the Dust Bowl who traded a flivver that would not run—it only limped a little—for a quarter section of land on which a tractor was buried in dust. He went on buying land. This year he sold his wheat for \$50,000. Daniel Boone must have been slightly dippy when he paid \$125 for a new rifle to take into the wilderness. If the only residents of the wilderness saw him first they would shoot him and take the new gun. But that's the way we do things—

Figures on our growth

SO have a look at the figures.

The Twentieth Century Fund assumes that the population will rise from a little more than 132,000,000 in 1940 to something more than 155,000,000 in 1960. Other estimates run to 160,000,000. This is on the estimate of medium mortality, as shown by the statistics gathered by life insurance companies. In 1940 there were 31,300,000 families of two or more persons. Reasonable assumptions as to births and deaths suggest 39,000,000 families in 1960.

It is fair to assume that, by 1960, many of the gaps in today's equipment will have been filled. Authorities insist that the housing lack will have been made up in good part, the railroads will have fixed up their roadways and will have a sufficient number of freight and passenger cars in operation, and roadbuilding will have made it a lot easier to get around.

Speaking about trends, the privately owned electric power and light companies have just taken off the bridle. They have been more or less bedeviled by municipal ownership and federally owned in-

(Continued on page 83)

You're Richer Than You Know

By PAT FRANK

IF YOU had your business life to live over, would you follow the same course?

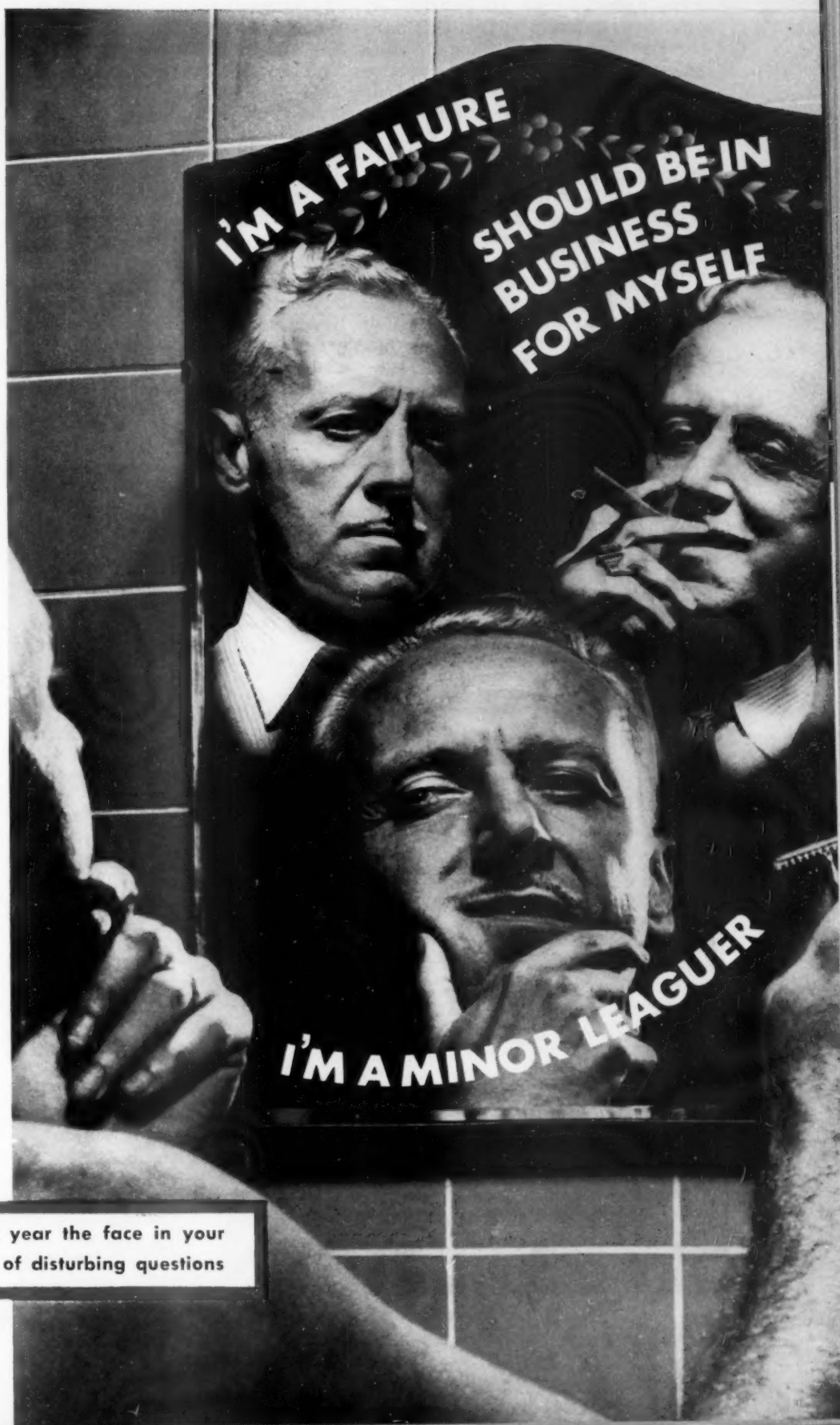
Here are points to consider

SOME TIME around your forty-fifth year the face in your bathroom mirror will ask you a group of disturbing personal questions. It is likely that these questions will be put on a Monday morning, after a horrible week end, and with the week ahead stretching before you like an uphill path deep in gumbo mud.

There will be symptoms that this inevitable moment is coming. Minor disasters will plague you. The roof will leak. The maid will quit. The morning mail will bring you bills from a variety of doctors, including obstetricians, pediatricians, veterinarians and tree surgeons.

Your Saturday golf will show signs of what could only be senile decay. Your dancing will seem rheumatic to you, and obviously archaic to others. The only woman who will pay more than polite attention to you will be your wife. All the men around you will seem younger, or more successful, or more brilliant, or all three combined. You will find yourself reading the obituary section of the Sunday papers before sports and finance. You will be cheered when people hang onto life until 80, depressed when they depart before 60.

On Monday the eyes in the shaving mirror will take note of the increase in scalp surface and decrease in hair, the laxness of flesh at the base of the neck, and the creeping paunch. Then the eyes



GEORGE LOHR

Some time around your forty-fifth year the face in your bathroom mirror will ask a group of disturbing questions

will look directly at you and demand:

"Am I a failure? Where did I make a wrong turn? Did I sacrifice my independence for security? Wouldn't I have done better if I had gone into business for myself? If I had it to do over again, would I follow the same course? Am I a minor leaguer?"

Always before, when these questions sneaked into your mind, you were able to give an evasive, or qualified, answer. But on this particular morning the face in your shaving mirror will demand the implacable truth, to the best of your knowledge and judgment, so help you.

Funny thing is, when you honestly answer the questions—as you must sometime in the fifth decade of your life—you are likely to be wrong. You will underestimate yourself.

The easiest yardstick with which to measure your success is the acquisition of wealth. It is a good yardstick, make no mistake about it, and it applies to the arts, sciences and professions as well as business. If there are any artists starving in Greenwich Village gar-

rets it is because they are bad or lazy artists. The writer who knows his craft buys estates in Florida and Connecticut, and if he is a very good boy goes to Hollywood, earns \$4,000 a week, wears pastel-hued shirts and rattan sandals, and lives happily ever after. The imaginative scientist finds himself a large stockholder in profitable industries, and a potential shaper of mankind's destiny. In all history the rewards for creative skill have never been so great as they are in the nasty old reactionary, capitalistic, plutocratic America of today.

So it is fair to use money as the basis in taking your personal inventory. Some people find happiness without money. Some people claim their wealth is their eight children; or rainbows, sunsets, the perfume of piney woods and similar phenomena of the great outdoors; or their collection of butterflies and moths. But you can have your eight children, the great outdoors, and butterflies, too, and it will all be more fun if you have money to boot.

Money is an accurate measure—if used correctly. The booby traps

of accurate measurement lie in faulty comparison, an incomplete appraisal of your full worth, and an inadequate knowledge of the financial roorbacks that confront men who acquire wealth suddenly and dramatically, rather than by way of a steady salary.

You have a neighbor who is an author. His name is Dexter Thorndike, III, which is a good name for an author. One morning, over the coffee, your wife asks, "Did you hear about the Thorndikes?"

"No," you say, "I didn't hear about the Thorndikes. Are they being evicted?"

"My gracious, no!" says your wife. "Why, they're rolling in cash."

This is a great surprise to you, because for the past four years the Thorndikes haven't had cash enough to paint their house, trim their hedge or repair their fence. So naturally you are inquisitive.

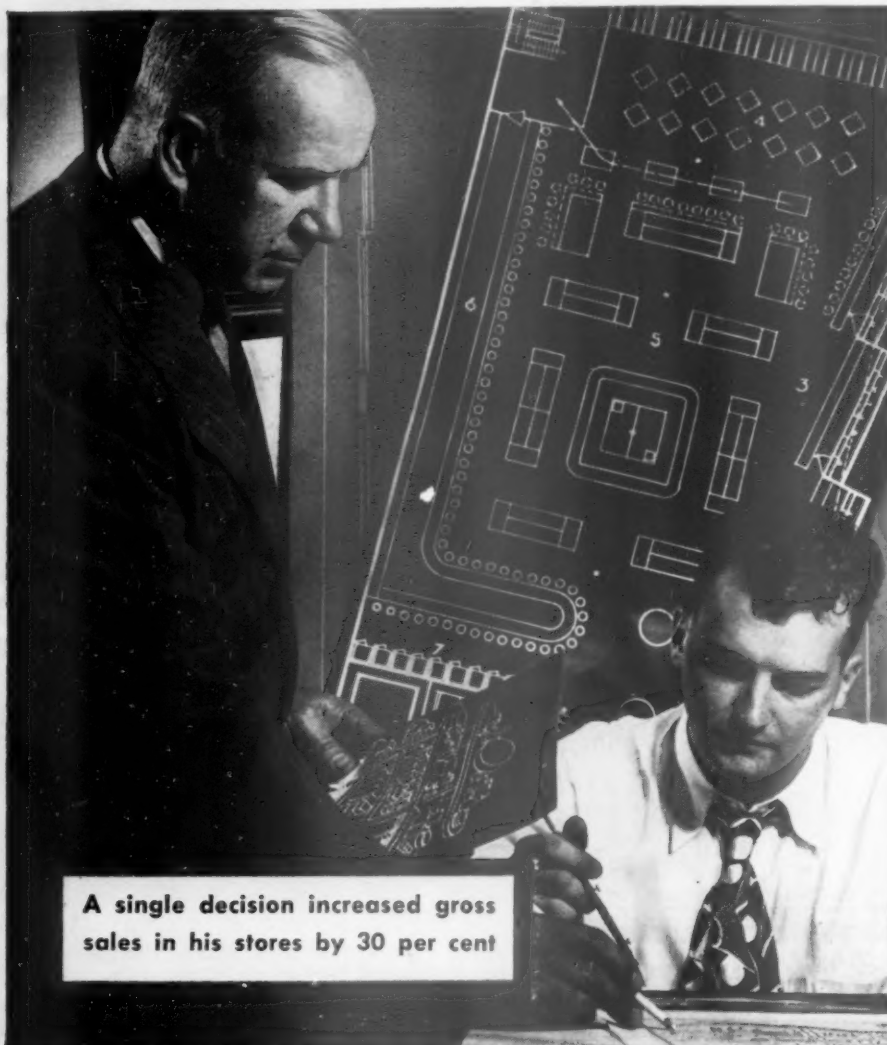
Big money for little work?

"HE WROTE a book," your wife explains, "and made a half million. A book club took it, and it sold 700,000 copies, and then the movies bought it."

A couple of days later you meet Thorndike, and find out this is true. You ask him how long it took to write the book, and he says, "Well, in actual writing time, about four months."

This dazes you. For 18 years you have been with National Lightning Rod and Buggy Whip, and now you are general manager, and making \$25,000 a year. The thought of Thorndike making \$500,000 in four months gives you a galloping case of inferiority complex. The world is not right. One Monday morning you find yourself staring at yourself in the mirror and asking: "Why didn't I become an author, or anyway a publisher? Why didn't they have those vocational guidance tests when I was in college? Here I am, pressing 50, and stuck in old National L. R. and B. W."

Now the truth about Thorndike is that he spent four years in research before sitting down to write "Princess of Madrid" in four months. He had been writing for 25 years but this was the only book to hit a jackpot, and the chances were about 3,000 to one that he would not repeat. Furthermore, \$50,000 of the \$500,000 will go to his agent. His income tax will be \$365,105 if, as is likely, he receives both his royalties and the payment for his motion picture rights in the same year. His net receipts from



A single decision increased gross sales in his stores by 30 per cent

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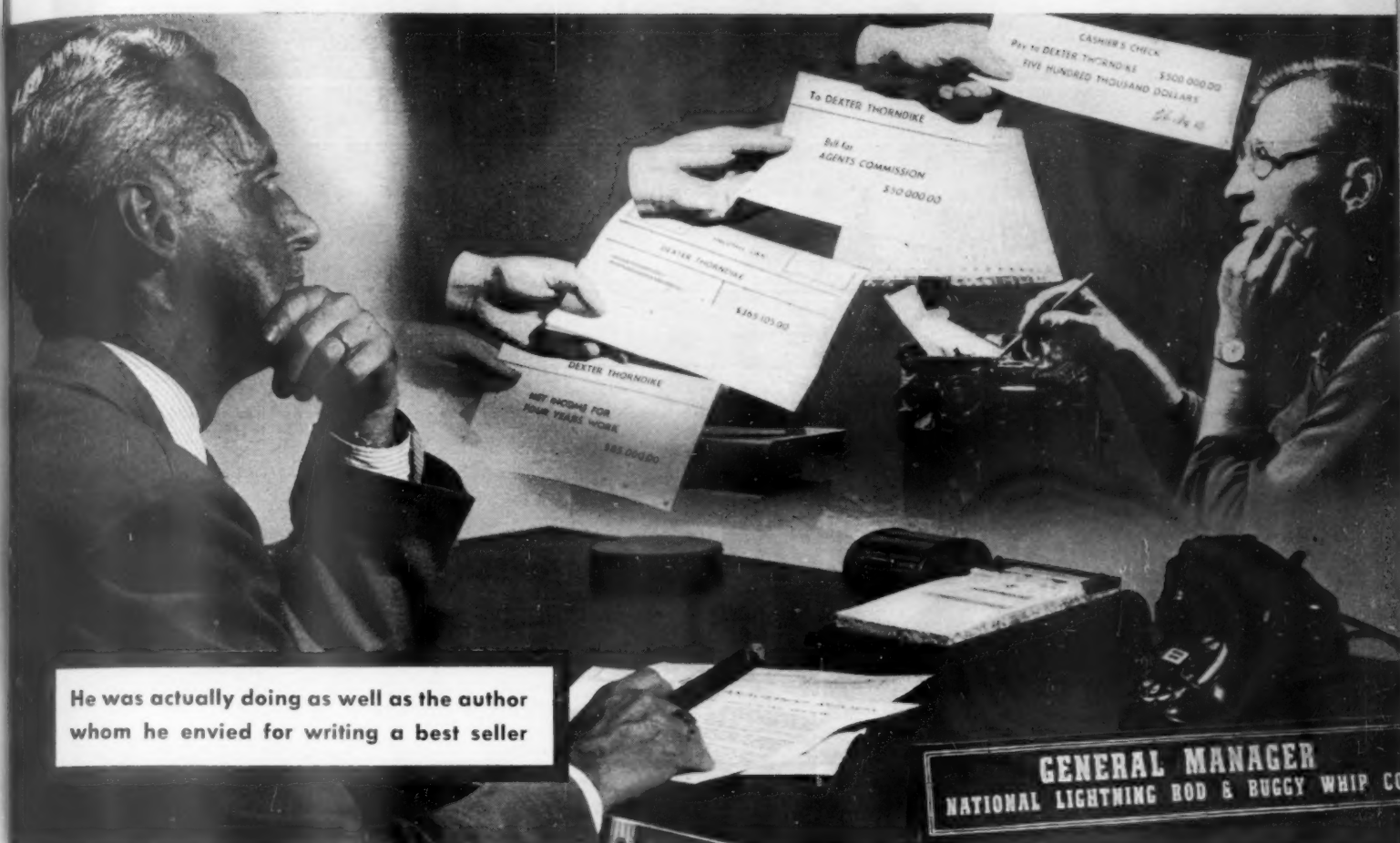
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He was actually doing as well as the author
whom he envied for writing a best seller

the book will be about \$85,000. Since he spent four years in research, his payment for "Princess of Madrid" will be some \$21,250 a year, net. Just tell that to your mirror.

For the past dozen years there has been a tendency to make a fetish out of the virtues of small business, and at the same time picture big business as a Moloch devouring brain and sinew, and heartlessly spitting out a drained body at the end of its usefulness.

Actually, the prospect of great reward in big business is almost unlimited, for those with leadership and imagination—the qualities that create company dividends. Personal ambition is not enough.

The president of a nation-wide chain of stores makes a salary of \$330,000 a year. He is sensitive about that salary, although he shouldn't be. He is worth it. One decision alone, affecting the display of merchandise, increased the gross sales in his stores 30 per cent, with a consequent increase in the value of the company's shares to the stockholders.

At some time in his career this chain store president doubtless wondered whether he should have gone into business for himself, instead of working for a corporation.

Had he gone into business for himself, it would have been necessary to accumulate a fortune of \$8,250,000 to receive as much annual income as he now makes. The chances of his ever accumulating such a sum, brilliant as he is, are something less than remote.

Big salaries need big capital

THE chairman of the board of an old and honored brokerage house now receives an annual salary of almost \$200,000 a year, and will get \$60,000 retirement pay. He wasn't born into the business. He worked his way up. It would take \$1,500,000 in accumulated capital to give him what he'll now receive as his retirement stipend.

The president of a small railroad, who will get \$30,000 when he retires, would have had to accumulate a fortune of \$750,000 to receive a like amount.

I know an editor whose salary is \$1,500 a week. He has always spent just about everything he made, as fast as he made it. For him to accumulate the \$2,000,000, which if invested would give him an income equal to his salary, would be an utter absurdity. But for years he has wondered whether he wouldn't have done better if he had bought a paper of his own. Chances are

that his paper would have sunk in the turbulent '30's.

Even if you are not in the five figure salary class, you don't have to be ashamed of what the mirror shows you. Drs. Louis I. Dublin and Alfred J. Lotka, statisticians for the Metropolitan Life Insurance Company, have the job of evaluating American men in terms of dollars. They find that a man of 40 who nets \$5,000 a year is worth \$55,500 to his family. That's the sum needed to maintain his family for the period of his life expectancy.

The small business fetish proved disastrous to thousands of veterans who hoped to strike oil in filling stations, or fistfuls of dollars in taverns and small restaurants. They ignored the cold statistics—that 50 per cent of all new business fails in seven years. Their lack of experience increased the odds against them. Even those whose small businesses are succeeding are, in truth, paying a salary to themselves. Their accumulation of property has been small. At the end of five years a successful filling station may be worth \$10,000 or \$15,000. The same effort and brains, invested in somebody else's established business over the same period of time,

(Continued on page 77)



In Toronto, Eaton's main store, annex and mail order offices have nearly 85 acres of space

PHOTOS BY T. EATON CO.

Retail Oak Under the

CANADA'S 11,500,000 persons poured an estimated \$300,000,000 into the coffers of T. Eaton Co., Ltd., in 1946. It is doubtful whether more than a relatively few Americans have any idea that such a mercantile colossus exists north of the border.

Eaton's was established in Toronto in 1869 by Timothy Eaton. Timothy was born in County Antrim, Northern Ireland, and his early years as a Canadian were spent cutting his retailing eye-teeth in country stores around London, Ontario. It is possible that he was the first retail merchant in the Western Hemisphere to put into effect a policy of "plainly marked prices, one price only, and the privilege of returning unsuitable purchases."

In an era when long hours were the rule, he shortened the work day because he believed that tired store people profited nobody. He initiated a policy of doing business

for cash and deviated from that policy only to the extent of accepting deposit accounts.

Today, Eaton's employs more than 33,000 persons (and another 15,000 during the holiday season), and operates more than 50 retail outlets. Of the latter, a dozen are full-sized department stores and the remainder are branches.

Eaton's has always been an important importer of goods from the British Isles and the Continent, but has developed self-dependency by opening its own factories. It manufactures clothing and leather goods in Toronto, men's clothing in Montreal, men's work clothes in Winnipeg, knitted goods in Hamilton and stoves in Guelph. During the war, its factories produced war goods.

Therein lies a story that exemplifies the company's spirit. Its first uniform order from the Canadian Government was for battle dress uniforms. Eaton's fig-

ured the job at cost and went to work. When it had completed the order, it was embarrassed to discover a profit of \$75,000. The board of directors pondered the item for only a moment, then forwarded a check to the Government.

Eaton's war record is probably unique in another respect. During the past war, 5,615 Eaton men and women served in the armed forces. To every employee who volunteered for service, Eaton paid the difference between his or her salary and Army, Navy or Air Force pay, thus rewarding loyalty to country as well as to company.

Since its Quarter Century Club was founded in the early 1920's, more than 4,600 men and women have qualified with 25 years or more of service. Each receives six weeks' holiday with pay, plus regular annual holidays.

In the Toronto store alone there are 1,750 members of the Quarter Century Club, and some still are



The company's catalog is a life line as well as a supply line to many Canadians

e Maple Leaf

By JACK B. WALLACH



There are few limitations on stocks, even the latest Paris creations are available

NATION'S BUSINESS for October, 1947



Boarding plane are Mr. and Mrs. J. D. Eaton, Lady Eaton and their pilot



On heavy days the Toronto store's operators handle as many as 50,000 calls



Order offices are now maintained in more than 150 Canadian communities

in their early forties. Nearly 1,000, in fact, have been with the company 30 to 50 years.

Eaton's mail order catalogs have almost attained biblical stature throughout Canada. Its mail order business began in 1844 when a souvenir booklet, distributed at the Toronto Industrial Exhibition, brought a flood of orders.

Today, with order offices in more than 150 communities, its mail business is estimated to total \$55,000,000 to \$60,000,000, and its original souvenir booklet has expanded to a 450 page compendium of all goods that may be needed by man or desired by woman. The mail order staff of three has grown to 5,300.

The Canadian mail order merchant has a problem which is hardly known in the States. His customers in the Maritime Provinces insist on speaking only French. Thus, Eaton's catalogs and flyers, which are produced four times a year, are printed in French and English. It follows that its mail order personnel must be able to handle correspondence in both languages.

Once, some newspapers refused to accept advertising from mail order houses. However, this type of boycott yielded to competitive pressure. Eaton's advertising now appears in the majority of Canadian newspapers.

Effective advertising

NO store organization in our hemisphere appears to be more determined to produce the most effective advertising possible. When Eaton's management felt its advertising staff needed refreshing, its New York buying office was told to get the best creative advertising person available.

The New York office, after a painstaking search, found an outstanding executive who agreed to put in a limited stay at Eaton's for \$1,500 a week. The Eaton official authorized to engage the high-powered consultant blanched at the price and requested the office to find someone "a little cheaper."

The alternate who was selected did a highly satisfactory job. But, when the management learned that it might have obtained a better person, the official who hesitated to hire the more expensive was out of the organization.

In a sense, Eaton's growth parallels that of Canada. When Timothy Eaton at the age of 35 bought the dry goods stock of James Jennings in Toronto for \$6,500 and launched

(Continued on page 85)



Are Cities Headed for Trouble?

By JUNIUS B. WOOD

AMERICAN CITIES are facing the most critical time in their existence. Revenues are not keeping pace with the rapidly increasing demands for services.

War's aftermath which precipitated the crisis is not entirely responsible. Demands on cities have increased, costs of meeting them have soared, and too many municipalities are trying to survive in an age of fluorescent lighting by methods that were good in the days of kerosene lamps.

The frantic effort of city officials to meet increased drains on their treasuries is an amazing story of ingenuity and individualism. Taxes, licenses and charges for services are the usual sources of revenue, and they have become as novel and varied in the 2,042 cities of more than 5,000 population as women's hats.

As one paying citizen said of his home town: "Everything except umbrellas and baby carriages is taxed. Two aldermen expected increases in their families and the sun was shining the day they fixed up the tax bill so they didn't think of umbrellas."

However, before explaining the many methods cities are adopting to meet expenses, the causes of the crisis should be enumerated.

The war caused a halt, not only in new construction and activities, but in all except essential repairs and replacements in pavements, buildings and equipment. Most cities coasted along with healthy treasuries while officials dreamed of the day when they could start the delayed work.

The awakening was bitter. An improvement which used to cost \$600,000 now comes to \$900,000.



Wages have gone up. There is no rush of job hunters, though some cities have adopted a five-day week, have increased pensions and lowered the retirement age. Stenographers average \$1,676 in city jobs, \$1,830 in private and \$2,174 in government. Wage differentials in most other lines are similar but all are higher than in former years.

Cities find themselves with new responsibilities in public welfare, housing and hospitals; all the other former obligations have increased. Providing recreation has become a big activity—ball parks, tennis courts, golf courses, swimming pools, dance halls and auditoriums. In some cities, facilities for fun are free. In others, fees are charged, but Kansas City and New Orleans are the only large cities where a municipal auditorium pays its expenses.

The increase in city populations is partly offset on the revenue side by the tax flight of once big taxpayers to the suburbs. Even without increased population, the demands on cities will climb. Though the 1947 birth rate made a new record, vital statistics say the 1940 family average of 3.3 persons will be down to 2.9 in 1970. That will be 45 more households per 1,000 persons; that many more houses with lawns to water, demands for gas, electricity and telephones and more cars on the streets. People will be more durable, with three times as many past 50 as in 1920, and drawing more old-age pensions, social security and annuities.

Automobiles are already a lusty city problem. In the next ten years, the present ratio of a car for every three persons is expected to reach a car for every two. New York City and Chicago,

which have only half the off-street parking facilities needed, expect the demand to be four times as great. Seattle figures that traffic jams reduce the assessed value of a business district 32 per cent, while a survey of curbs in Wichita showed two fifths of the cars were all-day parkers.

Consequently cities are working to make shopping both pleasant and profitable. In 1942, only 211 cities saw any need for public parking lots or garages. Now half the cities have them or are planning them. Most are free, another city expense. Bluefield, W. Va., Phoenix, Ariz., and Detroit are starting four-deck garages, the first with a municipal auditorium on top and the others with stores on the ground floor. Philadelphia, San Francisco and Memphis will bury theirs under hills or parks.

Many cities are paying for their parking lots and garages with meter collections, the usual charge being five cents an hour. A parking meter is a good collector but is only a dribble in a city's total revenue. Chicago and several other cities have shuttle bus service to the business center.

Cities in business at loss

IN this age, an airport has become a civic duty and a promotional expense. New York and Chicago lose \$600,000 and \$100,000 respectively a year. Wichita and Los Angeles are among the few larger cities that make money on an airport.

In the operation of municipal airports, both the federal Government, through its Civil Aeronautics Administration, and the state governments infringe heavily on local autonomy which pays the bills.

Cities looking for new sources of revenue are further muscle-bound in most states by their charters or by the state constitution and statutes. Only Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey and Vermont permit cities to fix their own property taxes.

States also monopolize sources of revenue. If a city taps a new source without state permission, the courts are likely to invalidate it. City taxes have been toppled over like tenpins because the state was drawing from the same source, though in a few states the cities can duplicate any tax the state is collecting. In most states the cities are gleaners in the tax fields.



The supreme courts in Illinois and several other states have ruled that police and fire protection are state functions and merely delegated to the cities. That means the state is boss but the cities have to pay the bills. Chicago has some 7,000 policemen, 4,000 firemen and 20,000 election officials. The state can fix their pay, hours of work, retirement age and pensions. The city pays—its largest budget item.

Tax-exempt property penalizes cities more severely than any other of the 155,000 local taxing units in the United States.

By force of habit, cities turn first to property taxes as a life-saver when financial waves become choppy. In grandpop's day such taxes were the sole source of revenue and still are the backbone of city finances—75 per cent of the budget in most cities. In Chicago, they have shrunk to 40 per cent in 20 years.

Property taxes are only eight per cent in Marquette, Mich., and have been entirely eliminated by utility levies in Coffeyville and Chanute, Kan., and by oil taxes in many Texas and Oklahoma cities. These are rare exceptions. Nineteen states have abolished property taxes for their own revenues, though their smaller taxing units continue to levy them.

Owners avoid taxes

RAISING the assessed valuations, usually fictitious, or increasing the property tax rate is easy on paper. The state legislature, however, may not consent and, as property taxes are at the saturation point, owners may reduce valuations or dodge paying the tax. In Chicago, the Field estate razed its monumental wholesale building and the Great Northern Hotel in the heart of the city. As parking lots their sites are assessed as unimproved real estate. Delinquent tax property also is a big city expense.

Chicago a few weeks ago discovered a three-story brick building without water, electricity or sanitation and its woodwork being used for fires in tin can stoves by more than 50 hoodlum squatters. No taxes had been paid in 20 years and the last owner of record disappeared ten years ago. The city wants to raze the structure, but orderly court procedure may take years.

With all these added expenses and so many "Keep Out" signs on
(Continued on page 72)



Frank Parsons, Jr., N. R. A. director, and Col. Townsend Whelen, dean of American shooters, examine a new rifle



The Rifle is America's Heritage

By JOHN CARLYLE

MARKSMANSHIP is our tradition. Here in America hunting and shooting are established customs

ABOUT this time of the year hundreds of thousands of men begin to show feelings. Their wives notice odors of gun oil and old clothes. They spend hours in the attic.

They laugh over the telephone with old companions who had been theoretically eradicated by matrimony. They are getting ready to play their part in one of the greatest American industries.

To shoot at something with a rifle they will cheerfully undergo the most incredible toil. They will

crawl into sleeping bags wearing their pants and use their soggy boots as pillows. They will rise at ungodly hours and labor up peaks and over trails blocked by windfalls. They will eat sourdough bread and like it.

If they should kill the deer to which their expensive hunting licenses entitles them, the work of back-packing it in almost kills them. They abstain from bath water. The weather is invariably either rainy or bitterly cold and they huddle under strips of canvas over smoky fires.

For these superb discomforts they pay hundreds of millions of dollars each year. They support one great industry and scores of affiliates. There are 7,000,000 of them. At least 7,000,000 shooting licenses were issued last year.

An undetermined share of the 7,000,000 was issued to the users of scatterguns. In return they were en-



18 30

The late A. W. Peterson was so popular as a custom gunsmith, fans begged him not to retire



A rifle can be no better than the man who is behind it

18 75

titled to freeze their gizzards in duck blinds or to walk thousands of miles over western prairies looking for birds which had just gone visiting in the next county.

Whatever may have been the total number of licenses taken out by devotees of the true American arm—the rifle—they were certainly doubled or tripled by the number of riflemen who did not need licenses because they shot on their own land, or by others who regard licenses as a quaint modern idea which can be disregarded, and by still others who like to play games with wardens.

A fair estimate is that 5,000,000 Americans own rifles and use them when they can. The amount each spends each year averages more than his wife thinks he can afford.

They are worth reading about.

The *American Rifleman* is published for them. A sizable group of other magazines devotes much space to them. They are the romantic figures of the shooting world. Shotgun enthusiasts are admirable citizens but only riflemen would pay their own expenses at their annual gatherings. The scores made at Camp Perry, Ohio, are international news. Their weapons are as delicately made as watches and are beautiful as girls at a fountain.

Riflemen support many towns

THE rifle enthusiasts bring fresh money to hundreds of little towns that are known only to the general post office—and the tax collectors, of course. Thousands of guides, camp cooks and horse wranglers spread butter on their bread because riflemen hired them. Hundreds of firms offer clothing that will keep the fortunate possessor dry as a duck in a rainstorm. Riflemen who do not like to be shot at unless they can shoot back buy red coats and red caps for forest wear.

Riflemen continue to go home on stretchers, however, because uninformed riflemen have shot holes through them. Their annual contribution to the transportation, copper and chemical industries runs into many millions of dollars. The number of stores that sell things to them has never been estimated. Some are in dollar-an-inch spots in large cities, others hidden away in tiny villages.

Riflemen have even reversed their amours. In scores of little villages in this country old-fashioned riflemakers are busily making the same old-fashioned muzzle-loading rifles our great grandfathers used against Indians, redcoats, Frenchmen and varmints. Some have barrels four feet long and carry a lead slug as thick as your thumb.

Men drive hundreds of miles to share in the annual shoot of the Muzzle Loaders Association on an Indiana farm. Old powderhorns on which the original owner etched scenes and sentiments with the point of his hunting knife are collectors' items. The hobbyists pay as much in real value for their muzzle-loaders as Daniel Boone paid for his, and it is American tradition that Boone's rifles cost him \$125. A dollar was a dollar and more in those days.

The turkey shoot also is being revived. The bird is tethered in a hole so that his small head, illuminated by a malevolent red eye, appears as a target. He gets his fun out of dodging the bullets. In the southwest, where visibility is unlimited, men, their wives and kids, get up in the middle of the night and ride hours to shoots that are a combination of barbecue and competition.

There are many privately owned rifle collections worth thousands of dollars. A strictly modern de-

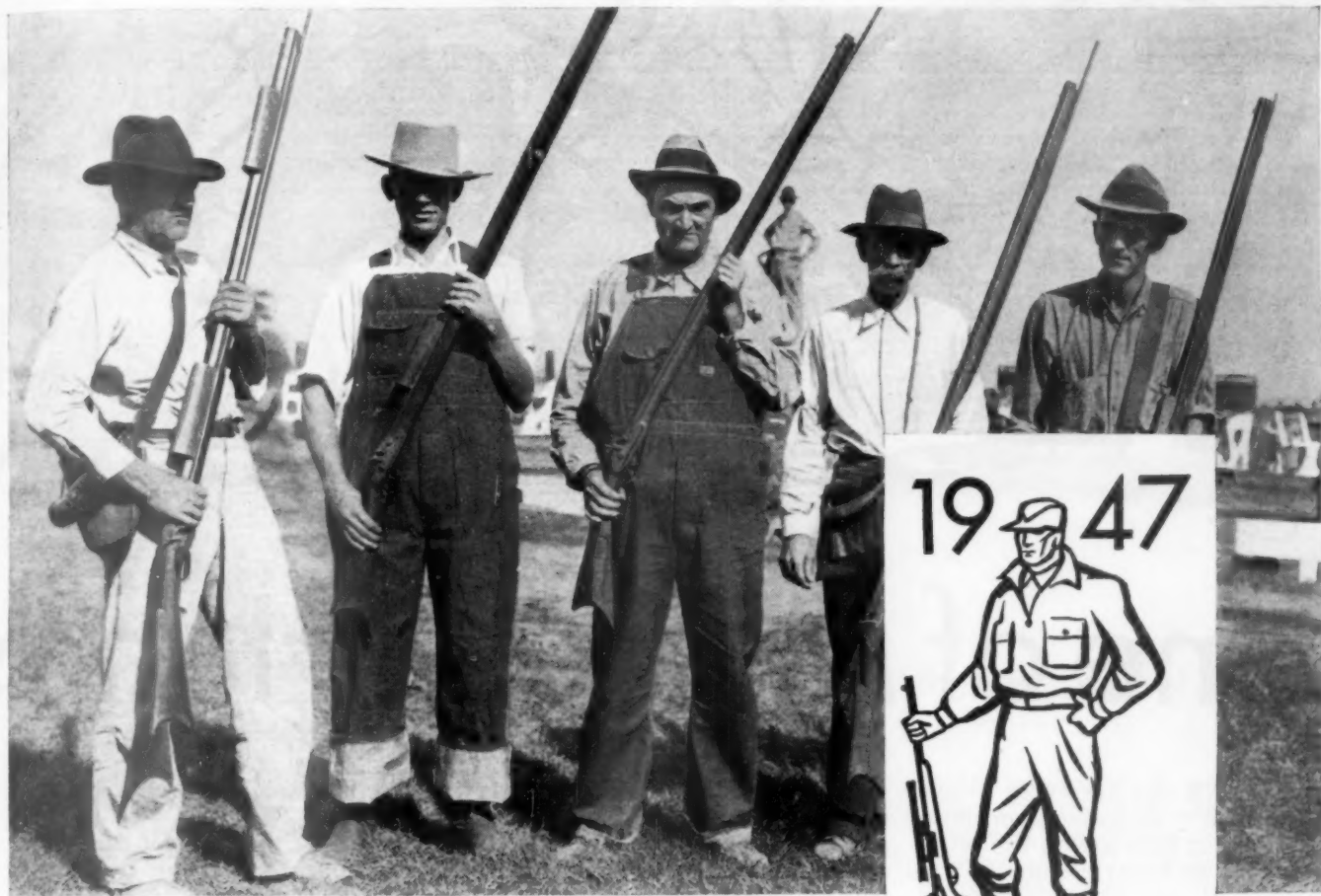
velopment is the custom-building of rifles that depart in some slight particular from stock models. The stocks are carefully fitted to the owner in length and drop, right- or left-handed. The ammo is loaded by the riflemen and differs in form of shell casing, weight and shape of bullet, and variety and amount of powder.

A new idea in rifles, if accepted by the volatile fraternity, may cost almost as much as a new car and lead the fancy market until a newer idea is produced. But many of the finest shots continue to make top scores with stock models, produced after years of painful research by experts employed by riflemaking companies. The sights are not only

gun barrel. Maybe his opposite number at Vienna did the same thing at the same time. Authorities differ. The gun barrels were rifled.

The early rifles were purely military rifles, for use against soldiers who marched in solid formation, just as the Roman soldiers did a thousand years earlier. The military mind is often allergic to thought. Almost every advance in the science of ballistics was dreamed up by a civilian, bitterly resisted by soldiers, and finally accepted over, literally, their dead bodies.

The smoothbore guns used by the first soldiers who popped off at each other were heavy, cumbersome, slow, and as accurate as ox-wagons. During



Riflemakers are still turning out these old-fashioned muzzle-loaders

adjusted to elevation but also to windage. An authority states that:

"The manufacture of special hunting and target sights, telescopic sights and sight mounts, custom gunbuilding and tools for reloading ammunition is almost an industry in itself. The manufacturers are generally small, employing ten to 50 persons, and most are well established with good management records extending back over periods of 25 to 50 years.

"While the dollar volume for each manufacturer is not large by big business standards, the gross dollar volume for this facet of the industry runs into amazingly large figures. Two nationally known optical manufacturers who have long found the shooting field worthy of special design (for telescopic sights, etc.) are Bausch and Lomb and Argus."

Someone discovered that if a twist could be given to a projectile in flight it held to a straighter course. Modern war began that day.

In the 16th Century a gunmaker at Nuremberg, Germany, applied this thought to the interior of a

the battle of Fontenoy in 1745 between the English and the French, one of the English leaders, Capt. Lord Charles Hays, made what seemed to be a magnificently chivalric gesture. As the two bodies of troops, in parallel lines, were drawing within range of each other, he raised his plumed hat and bowed.

"Gentlemen of the French First," he called, "fire first!"

Cunning as a hobo in a jungle, that man. He knew that if the French fired first while his troops were still out of effective range, he could close with his British to within effective distance and mow the French down before they could reload. Reloading took ten or 15 minutes in those days.

When Americans in the early 1700's began to tour through the forests on foot they learned immediately that their great need was for a firearm that would shoot accurately, would not be so heavy as to overburden a pedestrian who must also carry his

(Continued on page 78)



Some of My Best Friends

I DOUBT if the American people are so nearly unanimous on anything else as they are on the proposition that taxes should be reduced.

Certainly, all my friends agree that taxes should be reduced and—after 13 terms in Congress—my friends include many government officials as well as business men, farmers, lawyers, doctors and others, both in the capital and in my own state.

Lower federal expenditures were among the expectations when the Republicans took over the Congress after the 1946 elections. So, when the House Appropriations Committee, of which I am chairman, came together, it was with the understanding that we had a clear mandate from the people to reduce the federal budget.

We did not undertake to do this by whim. Although I have served on the Appropriations Committee ever since I came to Congress, and other committeemen have had long experience in Washington and know something about the

workings of the government departments, we did not rely on our own judgment.

Instead, we called in some 30 accountants, researchers and others. These men came from reliable accounting firms and businesses. They came, in some instances, from chambers of commerce. They were all competent men.

The purpose was to have at least two men on every project—such as the study of the Commerce Department—one, a man with a business background; the other with experience in governmental budgeting.

These men's personal incomes ran up into five figures. We paid them \$20 a day and the total cost was less than \$25,000. They were recruited and approved by the Committee—including Democrats as well as Republicans—and by Carl Herbert, an expert on governmental fiscal affairs. He is the head of the St. Paul municipal budget bureau; he has established budget setups for several other municipalities, and is the president of

Governmental Researchers' Association.

Under the guidance of these advisers, our Committee began its efforts to reduce the federal budget. Shortly thereafter, the lightning struck!

Obviously, government appropriations cannot be reduced without screams of pain from the bureaucrats—and a well established bureaucrat has propaganda outlets, contacts with newspapermen and radio commentators, and with "liberal movements" and organizations throughout the country which are capable of generating considerable heat.

Against this, a congressman learns to immunize himself. However, he is less prepared for the discovery that the way to budget reduction is booby-trapped in the most unexpected places.

For instance, when we voted to cut down on soil conservation payments this year and to eliminate the program next year, a torrent of protests swept over the Committee. Did this torrent originate with



CHARLES DUNN

Are Spenders

By Rep. JOHN TABER

EVERYONE wants economy in government, the chairman of the House Appropriations Committee finds, but only for the other fellow

the farmers, presumably the chief beneficiaries of conservation? Not at all. It came from the fertilizer and limestone interests—business men.

Business men are perhaps the most vocal group in the country in the demand for economy in government. Yet when we cut the estimates for the Customs Bureau—although we gave them more than they had had the past fiscal year—we received 1,200 protesting letters from members of a midwestern chamber of commerce.

The Middle West was not alone. In Buffalo and San Francisco newspapers reported that the borders were to be thrown wide open to smugglers. This caused the New York *News* to say editorially that, although it certainly approved of our efforts to reduce government

expenditures, it didn't think we should throw the borders open to smugglers.

When he was president of the American Bankers' Association, A. L. M. Wiggins was a champion of government economy. But as Under Secretary of the Treasury he went to bat against our reduction in the funds sought for the Internal Revenue Bureau. This reduction, according to the hue and cry that ensued, would necessitate dismissal of 8,000 agents costing \$30,000,000 a year but who dug up an additional \$200,000,000 each year in tax collections. The New York *Times* observed in effect that this seemed pigheaded to them. It was not pigheaded, because our investigations of the Internal Revenue Bureau showed that, if the cuts are honestly and intelli-

gently administered, not a single dollar of revenue will be lost.

At least a week before the House Appropriations Committee reported the bill on the Interior Department appropriations, which embraces reclamation projects, two senators had got wind of the fact that the estimates were being cut, and sent word to their governors to marshal their civic-minded citizens and have them descend on Washington quickly. They did. Cut elsewhere was their cry.

On the day the bill was reported, Secretary of the Interior Krug told a press conference that we were making for another major depression. The headlines and the stories in the newspapers, generally, told—not why we had done what we had—but featured his assertions.

The complaints were not justified, because our appropriations for the Interior Department were practically double the amount President Truman had allowed the Department to spend in the fiscal year ending June 30.

This brings me to the matter of

"The Voice," America's Voice, that is. Relatively little money was involved, some \$31,000,000 for broadcasting an understanding of our country to foreign peoples. We are giving away billions to Europe, so ran the propaganda against the Committee, why not spend another \$31,000,000 to have them understand us?

Individuals sell America

THE appropriations subcommittee headed by Rep. Karl Stefan of Nebraska observed that Americans are traveling all over the world, American business men are operating all over the world. American goods are sold all over the world. American movies are shown and American music is played all over the world. Americans support some 400 institutions of learning all over the world. In addition, we are now giving away or lending billions all over the world. Through all this, presumably, the world should have gained some idea of American ideas, achievements and culture.

Yet as many words were written and spoken about our action on the Office of International Information and Cultural Affairs as there were on the United Nations in the same length of time.

When our Committee's investigators were looking over the Civil Aeronautics Administration, one of its officials warned us that we would be in a pretty fix if we cut their requests and a plane crash occurred. Our investigators told him that, if he could guarantee there would be no more crashes, they thought the Committee would double their funds.

A costly forest fire raged in Alaska. Newspapers of the Northwest carried banner headlines saying that our "penny pinching" was at fault. It so happened that we hadn't cut the Forest Service Patrol one cent. But in anticipation of economies we were expected to put into effect, the agitation was on.

Washington newspapers are naturally sensitive to reduction of the government payroll which is the city's lifeblood. As a result we were almost daily confronted with headlines telling of hardships caused by dismissal of employes. We caused girls to go wayward and, in one instance, it seems, we were so heartless as to throw a blind couple out into the streets.

Even those who applaud today

may boo tomorrow. Two state legislatures passed resolutions commending our efforts. In effect, these resolutions said the time had come to end the practice of states running to Washington for money. These two legislatures had learned, the resolutions said, that the dollar was taken from the states in the first instance and that, when it returned in the form of a federal grant, it had severely shrunk.

This was heartening and I was moved to communicate my appreciation. I am glad I didn't, because within a few days the two governors were pressuring their delegation in Congress to get more federal funds, in one instance, for flood control, and in the other, for airport construction.

The Army and the Navy presented an unusual problem. They have no cost accounting systems. Our investigators found that in the Army there were four majors for every second lieutenant in the ground forces and that a similar disproportionate ratio existed throughout the organization.



Every action brings a shower of protests

Our reduction did not cut into the fighting strength but was designed to bring about more efficiency in the two services. But the news accounts told only of the cuts and the protests and expressions of apprehension by the services.

During the war an agency was created within the Interior Department by which the bituminous coal industry could exchange information within the industry. The coal operators reported the information to the government agency

which in turn made it available to the industry as a whole. Apparently this was necessary to keep the industry from running afoul the antitrust laws.

Now that the war is over, the industry wants this service continued. The Committee concluded that it should pay for it, and the industry let out a howl.

The war gave the country a National Inventors' Council in the Department of Commerce. At war's end this bureau was transformed to the Office of Technical Services and purportedly it assisted American manufacturers in their search for German patents.

Now it was sought to continue it as an aid to inventors. We decided the taxpayers could do without this service. But the bureau was able to enlist the support of several protesting business men.

We took an awful drubbing from the intellectuals—newspaper and radio commentators—on our cut of the funds proposed for the Bureau of Labor Statistics. This agency had an appropriation of \$800,000 odd in 1938. In the fiscal year just ended, its appropriation was nearly \$6,000,000. It had moved into such areas as studies on the amount of new construction, labor productivity, labor hazards, and mental attitudes of labor.

Many opposed slash

THE BLS was told to carry on its cost-of-living reports without impairment and to cut down on its extra curricular activities. But you'd be surprised at the number of business men who joined in the effort to try to restore the cuts.

Notwithstanding the tremendous pressure against us, we succeeded in effecting savings of some \$5,000,000, including the reduction in budget estimates, in recision of funds previously authorized and in revised estimates which the agencies made under our pressure.

We do not claim, however, to have more than scratched the surface.

We will be back and at it again next year. We will hear new screams from new directions but this year's preview has given the Committee excellent training in knowing what to expect and how to meet the attacks upon us. If they did not scream, we would not know we were doing a job.

Wings on the Old Gray Mare

By ELVON L. HOWE

OUT in the wide open spaces the airplane is not only an essential farm tool but brings a new way of living

SHIPPING TIME had arrived on Walt Frizell's big cattle ranch near Trinidad, Colo. It was the first of November in prosperous 1946 and within the week another crop of steers bearing the Wagon-box brand would join thousands of others headed toward market. Prices were sky-high, cattle were fat, prospects looked rosy.

Then the roof fell in.

When the flakes stopped tumbling in eastern Colorado's worst autumn storm of the century, 48 inches of snow smothered roads, buildings and broken telephone wires. For several weeks transportation stood still. Cattle and humans alike faced starvation and illness from exposure.

But Walt Frizell was better off than most of the ranchers. He flew.

In a light plane, such as he had used for several years to commute weekly between his ranch and his home farm 375 miles away at Larned, Kans., the 52 year old Frizell was in the air from daylight till dark. He flew groceries and mail, messages and medicine to his own ranch and to his neighbors. Daily he scouted the expanse of the Wagon-box range where his herd of 2,600 animals—a six-figure fortune on the hoof—was cut off in the wastes, some of them miles from food or shelter.

Spotting stranded cattle from the air, he could direct cowhands on their horses to those suffering most. Soon he had become so expert at flying 20 feet off the snow and dropping messages in weighted paper sacks to horsemen and tractor crews that they



STROHMEIER ASSOCIATES

Western farmers often fly to the nearest city for replacement parts

"hardly had to leave their seats."

Bulldozers opened roads after 11 difficult days, but Frizell flew another two weeks until surface help reached the last of the more remote ranches. When it was over, several persons and hundreds of cattle had starved or frozen to death in the region. Except for a dozen missing calves, every one of his own herd was safe—thinner but still alive.

Elsewhere over the storm area dozens of other light planes turned in similar performances. Taken together, these incidents signify a quiet but remarkable transformation that in some sections amounts already to a propellered, low-horsepower revolution down on the farm.

Manufacturers of light "family" aircraft expect this year to find 40 to 70 per cent of their private-owner market among farmers and ranchers.

The Civil Aeronautics Administration, licensing student, private and commercial pilots at a record 20,000 a month clip, finds a heavily disproportionate number of these licenses going to agricultural states. In many western states, one half to two thirds of all student pilots are farm folk.

The Bureau of Internal Revenue permits listing utility aircraft as standard farm equipment.

Airplane builders have their designers working to meet the numerous demands of this huge, new market. Items such as removable seats, extra cargo space, and balloon tires for soft runways are essential to a good farm plane.

A group called the National Association of Flying Farmers has spread-eagled across 24 states in less than two years and now has more than 4,000 members.

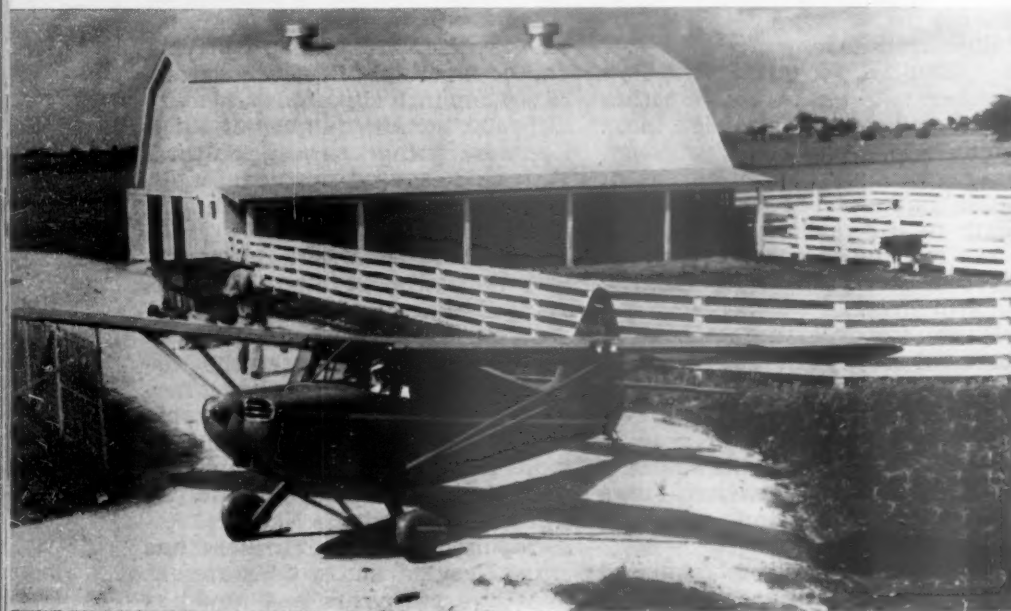
How many farmers are flying? No one has ventured a national



J. B. Kelsey, who was in his fifties before he learned to fly, goes over the grocery list with his wife before taking off for market



This small airport, located northwest of Waynoka, Okla., is being used by more than a half dozen farm families in the neighborhood



The airplane fits itself into the regular routine tasks of farm or ranch life. It makes easier a chore like hauling feed and produce

figure. The Iowa Aeronautics Commission estimated last year that perhaps 8,500 farmers and their families had taken to the air in the state alone. Texas claims the largest rural aviation fraternity. In the original hotbed of the flying farmer movement—a territory described by a circle enclosing most of Oklahoma and portions of Kansas and Texas—there is “a wind-sock on almost every barn.”

Buffalo, Okla., is typical. Here wheat-grower Arvid Temple has been an enthusiastic pilot since 1927 and has taught his wife, his three daughters, and 100 of his neighbors to fly. Buffalo's 1,500 residents consider themselves suburbanites of both Oklahoma City and Wichita, 160 and 130 miles away respectively.

The Blackwell, Okla., *Journal* delivers newspapers daily to outlying farm communities by air. At the edge of town, Dewey Mauk and his wife, starting last spring with a strip of level land and a well-built hay barn, recently opened an institution they expect to see duplicated by the hundreds in the next few years. It is an airport with shops for plane maintenance and a combination hardware-grocery store. Flying visitors have “courtesy car” service into the city.

Flying farmers form group

IT WAS at Stillwater that Dr. Henry G. Bennett, president of Oklahoma A. & M. College, recognized the national significance of what was then merely a Sooner State phenomenon. In August, 1944, he called together 16 of the state's flying farmers to pool their ideas and launched the Oklahoma group which quickly became parent to the national association.

At 60, Bennett is a fountain of irresistible enthusiasm on the subject.

“Future air age, nothing!” he declares. “We're in it right now. In the more spacious sections of this country, the airplane is already an essential piece of farm equipment.”

“Nothing brings more pleasure to farm families. Men and women who love the soil have heretofore had to pay for their independence in loneliness and isolation. But today they fly. It is not only fast, sometimes life-saving transportation for them, but it is a new way of life.”

A twin-engine plane and a pilot are at Bennett's disposal. One day last winter he flew 700 miles to fill speaking engagements in two

(Continued on page 68)

There's a Cure for Red Tape

By DAVID CUSHMAN COYLE

REPRESENTATIVE TABER has a reputation for saving money for Uncle Sam, but let us not overlook Mrs. MacQuarrie

ALTHOUGH the names of Sen. Styles Bridges, Sen. Harry F. Byrd, Rep. John Taber and many others have a prominent place in any discussion of the \$37,000,000,000 federal budget, even the most ardent advocates of government economy have never heard of Mrs. MacQuarrie, who sits at a desk near the door of the Social Security Board building.

Among other jobs, Mrs. MacQuarrie gets copies of congressional bills from the Government Printing Office to be used by various officers of the Social Security Board. In one year she had to get more than 17,000 copies a month. Each order took 27 different operations, including approvals that the law did not require, and three separate truck hauls.

Mrs. MacQuarrie had all the background for inventing a new system that would eliminate red tape. Not that creating government efficiency is merely a matter of cutting red tape. To begin with, red tape cannot be cut—because you need both ends. It has to be shrunk.

Here and there in Government today we find an expert red tape shrinker patiently working to reduce the weedy growth of tangled operations that befoul many agencies. Mrs. MacQuarrie is one, and a new method she inaugurated reduced the time of obtaining copies from three days to one, cut out three quarters of the work and gave everybody concerned the satisfaction of making sense.

In an atmosphere of billions, saving a little time and work undoubtedly is a small thing, but it demonstrates a phase of budget-making which, because it is about as dramatic as weeding onions, is too frequently overlooked. Also, it is a phase that Congress is powerless to handle.

A realistic view of government will reveal the reason.

The Government is a producer of goods—such as roads, war vessels and books; and of services—including mail, policing, scientific research, census returns, maps and charts, and several kinds of financing and insurance.

Congress, acting as purchasing agent for the taxpayers, orders from the Executive Branch the goods and services that the people seem to want.

NATION'S BUSINESS for October, 1947



Congress can promote government economy by eliminating certain services that are no longer needed.

But government efficiency—producing the most for the least cost—is a management job that must be handled by the Executive Department. Congress also can control what the Executive Department spends, but business men who have used modern efficiency methods know that production costs cannot be cut by cutting budgets. They must be reduced by management techniques.

Red tape grows naturally in any large organization because each person in the line tries to protect himself against being caught out. Here, for instance, is a section of the process of delivering an order from a Chief of Division to his subordinates. It is taken from a report of the man assigned to do something about it:

- Step 43: Insert Form 290 in form file.
- Step 44: Copy to Chief of Division—75 feet.
- Step 45: Rests in Out Basket—60 minutes.
- Step 46: Returned to B.M. (whatever that is).
- Step 47: Post Form 290.

And so on. Altogether there were 110 steps; someone walked 832 feet and, if no one fell asleep or got the flu, it took 1,245 minutes. When the red tape shrinker was through, the same process had 34 steps; the messengers and clerks walked only 230 feet, and the time was only 240 minutes. No laws were violated, and everyone left in the line was still safe against comebacks.

How does the shrinker do it? He takes his original picture and tackles the people concerned, asking a series of questions. Why is this done? Where should it be done? When? Who should do it? All very microscopic, but it does the trick.

A good red tape shrinker is a profitable invest-

ment, but there are few in government, or in business. Like all other management experts, they require a boss who knows how to use them, and no violence from the board of directors, who may think because they are quiet they are not "producing."

Good management in government has the same obstacles as in business, and some of its own. Executives often do not know how to use management engineers. Congress, acting as a board of directors, often does not understand efficiency. Less than half the members have had business experience, and not all of those have had experience in modern management.

One congressman, when the results of efficiency work were explained, said:

"This is swell, now let's get rid of all these experts and pass a law for everybody to do it this way."

He needed to have a business man explain technology to him. You can't manage by law.

Another red tape shrinkage case occurred last year in the San Francisco office of the Veterans' Administration. In the first six weeks of a work-simplification program, savings of 49,000 man-hours a year, 92,000 forms, 18,000 miles of motor-bus transportation and 600 square feet of space were reported. This represented a saving of about \$50,000.

The rearrangement of telephones in one office increased the output of the unit 100 per cent. A new mail-handling process in a personnel office cut the time for answering letters by two days and eliminated the backlog. Operation of a car pool eliminated one bus from service.

Forms for reporting personnel action were found to differ among agencies, with the number of copies varying from five to 14. One supplier sold 21,000,000

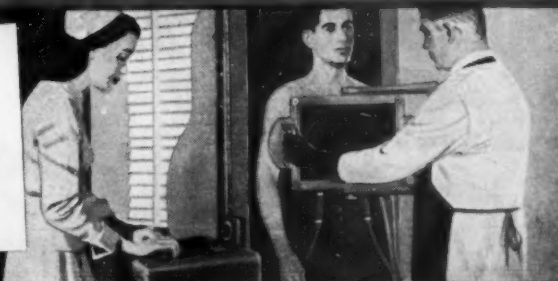


Too numerous and complicated laws governing the hiring of U.S. employees also promote inefficiency



An economy drive can defeat its own purpose if men with much talent are cut down

Had your health checked lately?



Q. Why see a doctor when you're well?



A. Health is more than an absence of disease. A medical examination permits your physician to determine whether you are as healthy as you can be, *and should be*, to live and work at your best. Or if you are below par, the doctor can

often catch and correct trouble *before* a breakdown occurs. Most people should have such examinations once a year. In certain cases, and for people over 65, more frequent checkups may be desirable.

Q. Are "Fifth Column" diseases



threatening you?

A. Diseases such as high blood pressure, cancer, tuberculosis, heart ailments, and diabetes may develop to a dangerous state without any warning symptoms. But they can be detected by your physician, helped, when necessary, by blood tests, urinalysis, X-ray, fluoroscope, elec-

trocardiograph, or other diagnostic aids. Annual examinations will usually lead to the discovery of "fifth column" diseases *in their early stages*, when modern medical science can do most to control or cure them.

Q. What about your daily living habits?



A. As part of your physical examination, the physician will probably check your daily living habits. He may ask about the amount and kinds of food you eat, whether you are getting sufficient rest and exercise, or how you use your leisure time. Knowing your daily habits and

your attitude toward life may enable him to advise and guide you to better mental and physical health. By faithfully following his instructions you can do a lot to help assure yourself a longer, happier life.

To help you protect and preserve your health by observing sensible habits and simple precautions, Metropolitan has prepared two leaflets. The first is devoted to the proper selection of foods for healthy living. The subject of the other is general health habits as related to age. Send for your free copies of both these leaflets, 107-P today.

COPYRIGHT 1947—METROPOLITAN LIFE INSURANCE COMPANY

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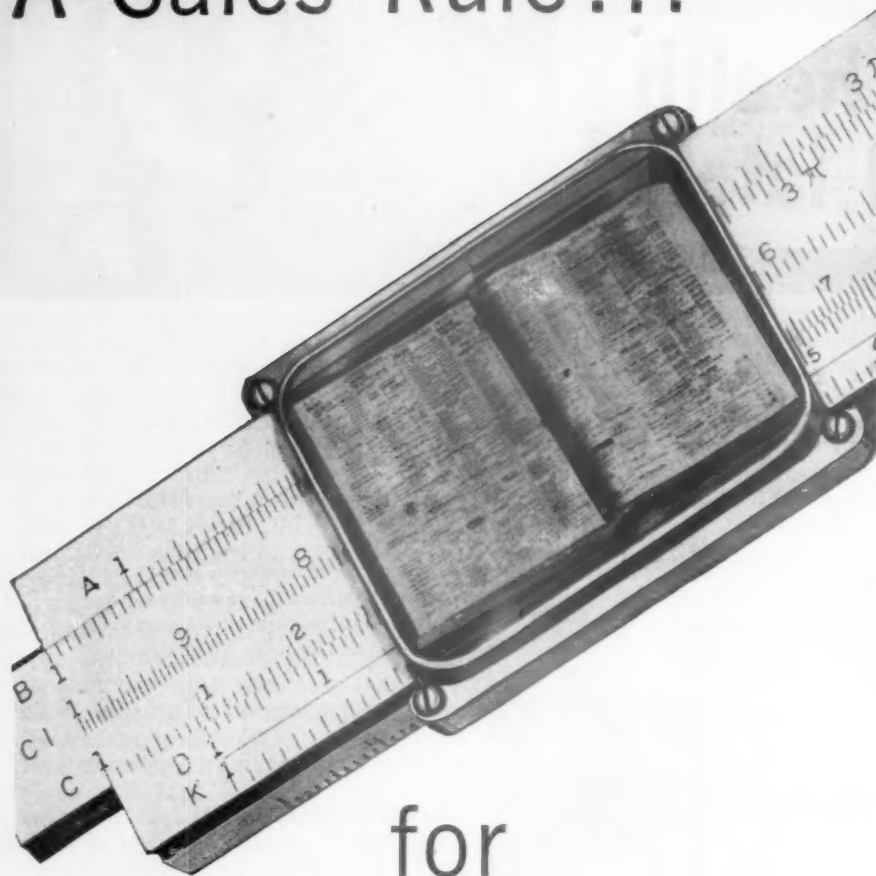
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
1 MADISON AVE., NEW YORK 10, N. Y.



TO EMPLOYERS: Your employees will benefit from understanding these important facts about protecting their health. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

A Sales Rule...



for Shifting Markets!

Statistics show that the shift in population that was speeded by war is continuing after war. That means a shift of markets also . . . and calls for sales planning to meet this situation. Trade Mark Service in the 'yellow pages' of the telephone directory is of special value under these conditions.

When people move, their buying habits may change . . . but it's a *national habit* for them to use the 'yellow pages' for their daily needs. The trade-marks and brand names displayed over lists of authorized outlets tell shoppers everywhere where they can buy the advertised goods they need and want.

You can buy this Trade Mark Service in the 'yellow pages' of telephone directories covering the country from coast to coast. It will direct people to your outlets in thousands of communities.

*For further information, call your
local telephone business office*



sets to the Government. Each copy costs about one-half cent for paper, not including handling and filing. The Budget Bureau, after consultation with the agencies involved, worked out a standard form and persuaded 73 agencies to reduce the number of copies they require, 40 of them now being down to the standard of five.

The saving of one copy in all agencies is worth \$125,000 a year, and the average saving so far is more than one copy. Personnel folders in the past have cost from ten to 45 cents each, and there were usually two or three for each employe and each job. Now there is one costing 4.5 cents and it follows the employe when he changes his job.

The U. S. Patent Office gets 25,000 orders a day for copies of patents and, under its inherited system of operating, was usually five or six weeks behind. By work-simplification, this office now handles the orders with a smaller staff and with no backlog. The saving in cost is less important than the saving to customers in waiting time.

Engineers called on

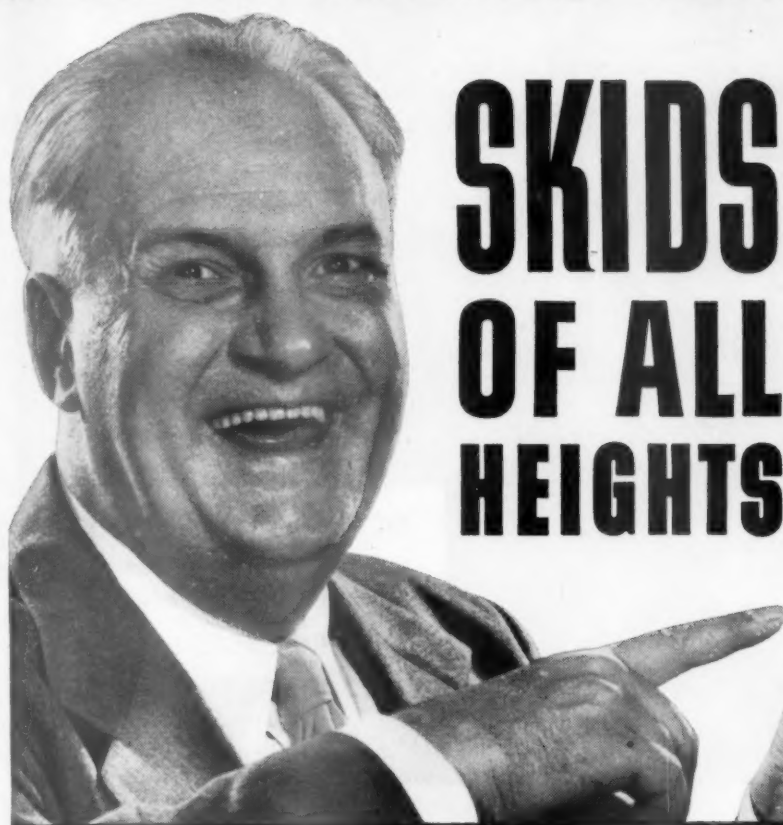
SHRINKING red tape, however, is not a new idea. Gifford Pinchot, while heading the Forest Service in 1905, was probably the first government administrator to hire a management engineer. There was a Taft Commission on Economy and Efficiency in 1911. Since then the practice has grown.

As the art has developed, many public agencies have used advanced management techniques, and the Budget Bureau has a special unit for management and engineering. Experts from private industry, consulting firms, insurance, and mail order houses, have been hired by the Government or called into consultation.

The Post Office often has engaged outside engineers to help with efficiency problems, and also uses its own staff, as far as it has the means. The Railway Mail Service has been in process of overhaul since August, 1946. More than 1,000 suggestions have been processed, many of them adopted. One change was in the hiring of 8,000 temporary clerks for December, each of whom formerly had to swear to three affidavits. By combining these on one sheet, with room for 100 signatures, one special clerk was saved in each of 40 post offices on the work of swearing in and filing affidavits.

There is still room for more wide-
(Continued on page 71)

At Last! A Motorized Handtruck that Handles



SKIDS OF ALL HEIGHTS



**New Vertical Hydraulic
Lift Raises Platform
13 INCHES!**

**Raises Load from 6 to 19
inches from the floor!**

Compare this with other motorized hand trucks that raise to a maximum of only 4 to 6 inches. No longer is there any need to use separate trucks or to build up the platform with blocks to handle skids of various underclearances. New Hyskid Transporter handles them all!

Now All Industry Can Cut Handling Costs With the Hyskid Transporter

Hyskid Transporter will handle the many varying heights of skids used in industry today—and still leave ample clearance to negotiate ramps. This means miracle electric handling of materials with easy fingertip control is now available to all industry—replacing gruelling, back-breaking costly manual handling.

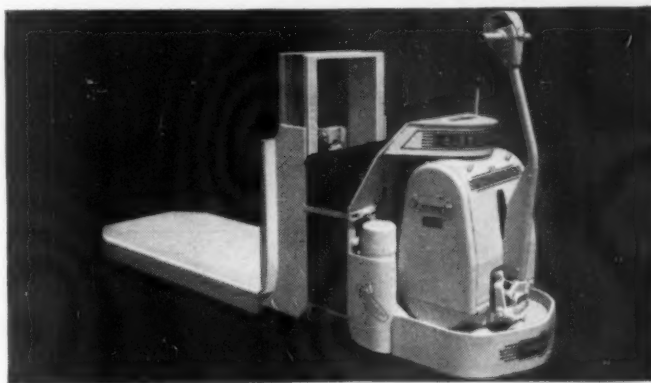
Equipped with the standard ATCO Electric Lift, Automatic's new Transporter will raise the full 13 inches in 12 seconds loaded, or 8 seconds empty. Capacities 4000 and 6000 pounds. Power consumption is so low, the same standard Transporter 11-plate battery is used.

**Remember:
Only Automatic Makes
the Transporter**

MANUFACTURERS OF THE FAMOUS
TRANSPORTERS, TRANSTACKERS AND
SKYLIFT ELECTRIC TRUCKS



Let us show you how this amazing new Transporter solves the problem of difficult ramps and underclearances—cuts material handling costs as much as 50%! Mail the coupon.



AUTOMATIC TRANSPORTATION COMPANY

DIV. OF THE YALE & TOWNE MFG. CO.
89 West 87th Street, Dept. T-7, Chicago 20, Ill.
Please send me complete information on your New HYSKID TRANSPORTER.
() Have an ATCO Material Handling Specialist make a free survey of my handling costs.

Company Name.....
By.....
Street Address.....
City..... State.....



Dr. Veebrink examines a quantity of solution as Boris, left, and Alexander Pregel look on

HCSMITH

You Can Rent a Little



ASSOCIATED SCREEN NEWS

A fortune in a flask: radium salt crystals

HERE'S a field that boasts price stability, low inventory, yet only has two operators. Its progress may change your daily living

BORIS and Alexander Pregel, two Russian-born Americans with offices in New York's Radio City, are heads of a business that at a cursory glance looks like the harassed business man's ideal.

It has only one competitor. The price of its product is high and never fluctuates. The inventory on hand of its basic product never exceeds one pound. And it has no unsatisfied customers, because its product never wears out!

Indeed, the product can be guaranteed to last practically forever. Or, if bought this Tuesday, the Pregels will

warrant it to be still half as good this same Tuesday 1,690 years from now.

For the Pregels are dealers in atomic energy. They sell radium. One of two companies (there are no others) which represent primary producers of radioactive materials, their firm, Canadian Radium and Uranium Corporation, sold the uranium used in our earliest experiments on the atomic bomb.

Because the Pregels are—to put it modestly—in a unique business, people often ask them how they got into it; and then Boris, company

president, and the older, always explains:

"When at the University of Brussels I read some of Mme. Curie's early papers and became fascinated. I resolved to make radium my career."

Since radium then was selling at \$4,600,000 an ounce, it was scarcely a stock-in-trade for every young man starting a business. But 1920 brought pitchblende discoveries in the Belgian Congo, and radium's price dropped 62 per cent. It was still \$60,000 a gram, but the next year, in Paris, Pregel started his company—by acting as distributor for the mine owners, *Union Minière*. Also, he started cudgeling his brain for ways to put radium to general use.

"Only for the science laboratories it was thought of," declares his younger brother, Alexander, who is vice president. "So Boris had to create absolutely new markets."

Today radium has a universal market, and—which is a surprise to people who think that its use is pretty much confined to treatment of cancer—can perform many practical chores for the arts and industry.

Some of these uses give the curious outsider an idea of what the

atomic energy business, just for a starter, really has to sell.

In Oklahoma are oil wells abandoned long ago. One day an owner hears, or reads somewhere, that maybe he could bring his wells back to life with radium. It sounds crazy, but he inquires. Canadian Radium and Uranium Corporation refers his letter to a firm in Tulsa.

Source may be rented

THIS company has rented a "source" from the Pregels. The "source" is a little radium mixed with some beryllium metal (rental \$75 a month) and set in an instrument to be lowered into a well. As it descends, the radium shoots out neutrons through a well's concrete sides and deep into the surrounding rock strata. The neutrons bounce back, and an instrument records any difference in their reflection. A difference means a by-passed oil pocket.

Oil men then put a perforating gun into a well to the correct depth and out gushes the new oil. During the war radium salvaged millions of barrels through this method.

On another day a Pittsburgh company is finishing a giant steel casting. It will go into a hydraulic

power installation and have to withstand tremendous pressures. Before shipping, the casting company wants to test it for flaws. So a pill of radium in an acorn-sized aluminum capsule is lowered on strings into the middle of the casting. Photographic film is hung around its outsides, and, later, developed and scrutinized.

If the casting has flaws—blow-holes, hidden shrinkage cavities—the radium's gamma rays will show them on the film. And gamma rays are the only rays that could do it. X-rays couldn't penetrate 12 inches of solid steel.

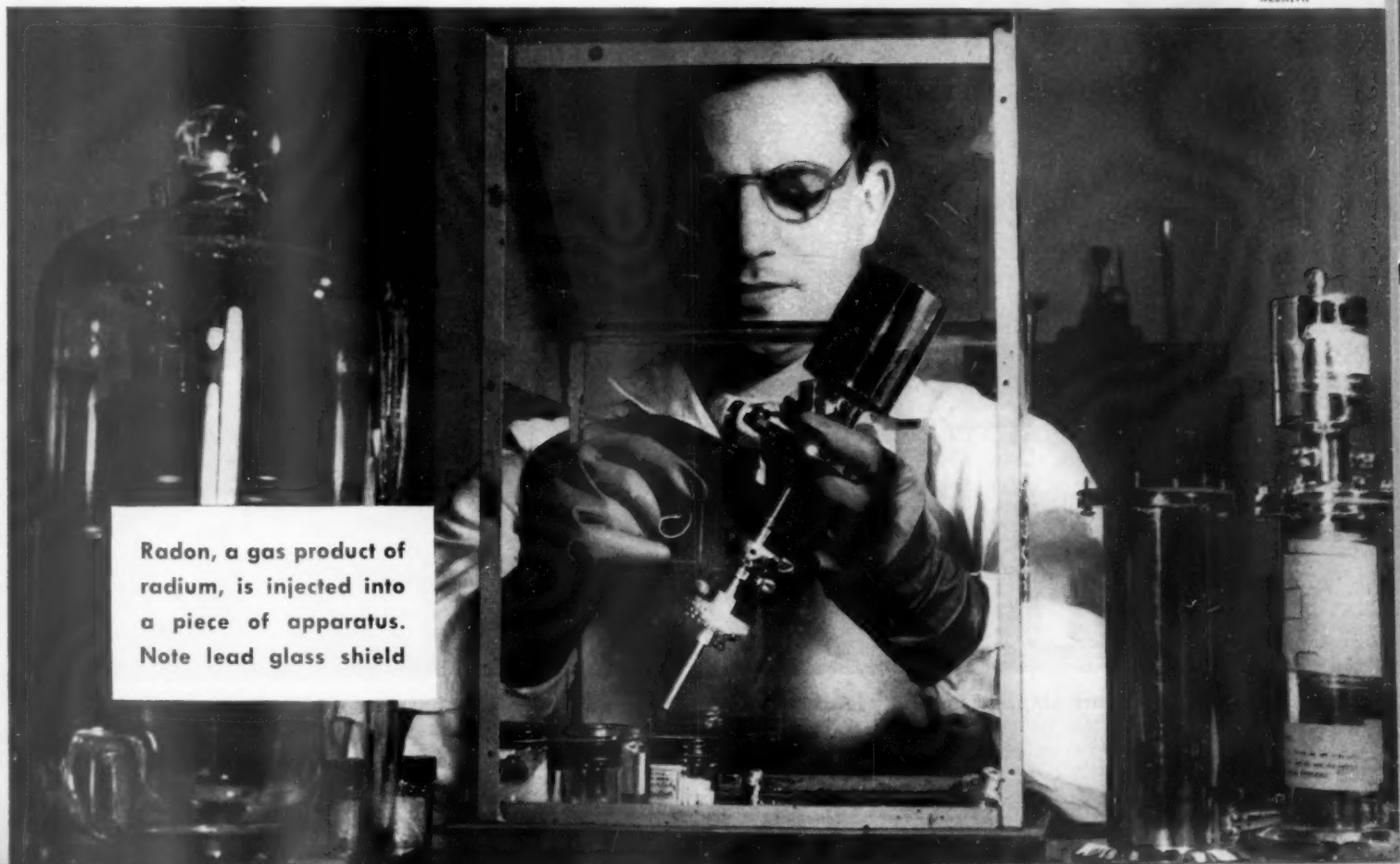
Similarly, radium's gamma rays, from Canadian Radium and Uranium Corporation's "sources," checked the welding on our Victory ships, probed the weaknesses of Navy turbines even while in operation, discovered lost scrapers that were fouling oil lines, and spotted leakage holes in the big pipe lines.

"And you cannot," as Alexander Pregel points out, "bring a pipe line to the laboratory."

When a nationally known fountain pen company wanted to improve its ink, it called on the Pregels for some radio-active material to mix with the ink dye. Instruments then revealed the exact dis-

e Atomic Energy

By C. LESTER WALKER



Radon, a gas product of radium, is injected into a piece of apparatus. Note lead glass shield

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tribution of the dye in the ink. Exactly what the pen company wanted to know.

Of course, almost anyone would expect a radium company to sell heavily for use in treating cancer. But how many people know about radium's newer uses in other medical fields?

Here, for instance, is a tiny Monel-metal tube, about the size of a phonograph needle. It contains 50 milligrams of radium.

Attached to a little rod no bigger than a short knitting needle, it is inserted through the nose into the region of the tonsils and adenoids. There—after an operation—the radium checks the regrowth of excess tissue—thus keeping open the Eustachian tube which leads to the ear, and so preventing future deafness.

Another atomic energy package is a radioactive oil which enables one to have a radioactive bath, in the home, identical with that of the best European spas. The energy in the oil comes from the gas of radium, known as *radon*, which all radium *gives off* constantly. The gas is radium's first disintegration product, and it comes off, same amount, same composition (92 per cent alpha rays, four per cent beta and four gamma) year in, year out.

So the Pregels just bottle the radon as they would any other gas. It is then sucked into a glass tube full of oil of pine needles and the mixture later filled into two-inch

glass vials. To prepare a radioactive bath, one need only empty the contents of a vial into a bathtub.

The company also has developed a way to use radon's alpha rays, by means of an ointment. The ointment, called Alphasat, has a lanolin base, and is prepared much like the radioactive pine needle oil. It is used on skin cases, burns, arthritis, and non-healing ulcers. Its high-speed alpha particles stimulate the blood.

Polonium has a future

BUT, of all the Pregels' products perhaps polonium promises most for general future business. What is polonium? It's a grayish-whitish metal, slightly mysterious because it is the thirteenth product in the uranium-radium disintegration table and for long could not be produced commercially.

Its uses? Well, they seem nearly endless, a little on the magic side.

A Connecticut company—Cheney Silk—found this out one day. They wanted to step up production but couldn't, because the silk threads kept breaking on the looms when the machinery speed was increased. The company got in touch with Canadian Radium and Uranium in New York, who sent out a "foil" of polonium, instructing:

"Just stand this near the loom."

"It looked like a flat stick about a foot high," said a slightly won-

der-struck loom operator, "and it worked like Merlin's wand. No more threads broke."

Polonium keeps teletype ribbon going straight on the teletype machines, and stops dictaphone record shavings from sticking to the cylinders. It checks paper-tearing on high-speed printing presses (so they can print faster), clears the air of dust in powder plants, and eliminates static from a radio.

The Firestone Company was the first to experiment with sparkplug points tipped with a spot of polonium. The polonium prepares the air in the cylinder for a better, more complete combustion.

And, in the future, it is possible that airplanes will be able to up their speed by utilizing polonium on their wings.

How does this drab, gray metal do all these things? Suppose we let one of the Pregels explain:

"Polonium," Alexander Pregel will tell you, "ionizes the air around it by its invisible alpha rays. This ionization is death to static electricity, which is the root-cause of all this tangling, tearing and sticking to things. The polonium's positively charged alpha rays, the physicists would say, have simply equalized potential."

Fortunately for the future, too, polonium is both cheap and safe. You can buy a foil for \$50 that will last two years. The material is the only radium derivative giving out atomic energy that can be shipped



Radium salts are shipped in heavy lead cylinders



Some solutions call for gloves, mask, and a lead apron

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No

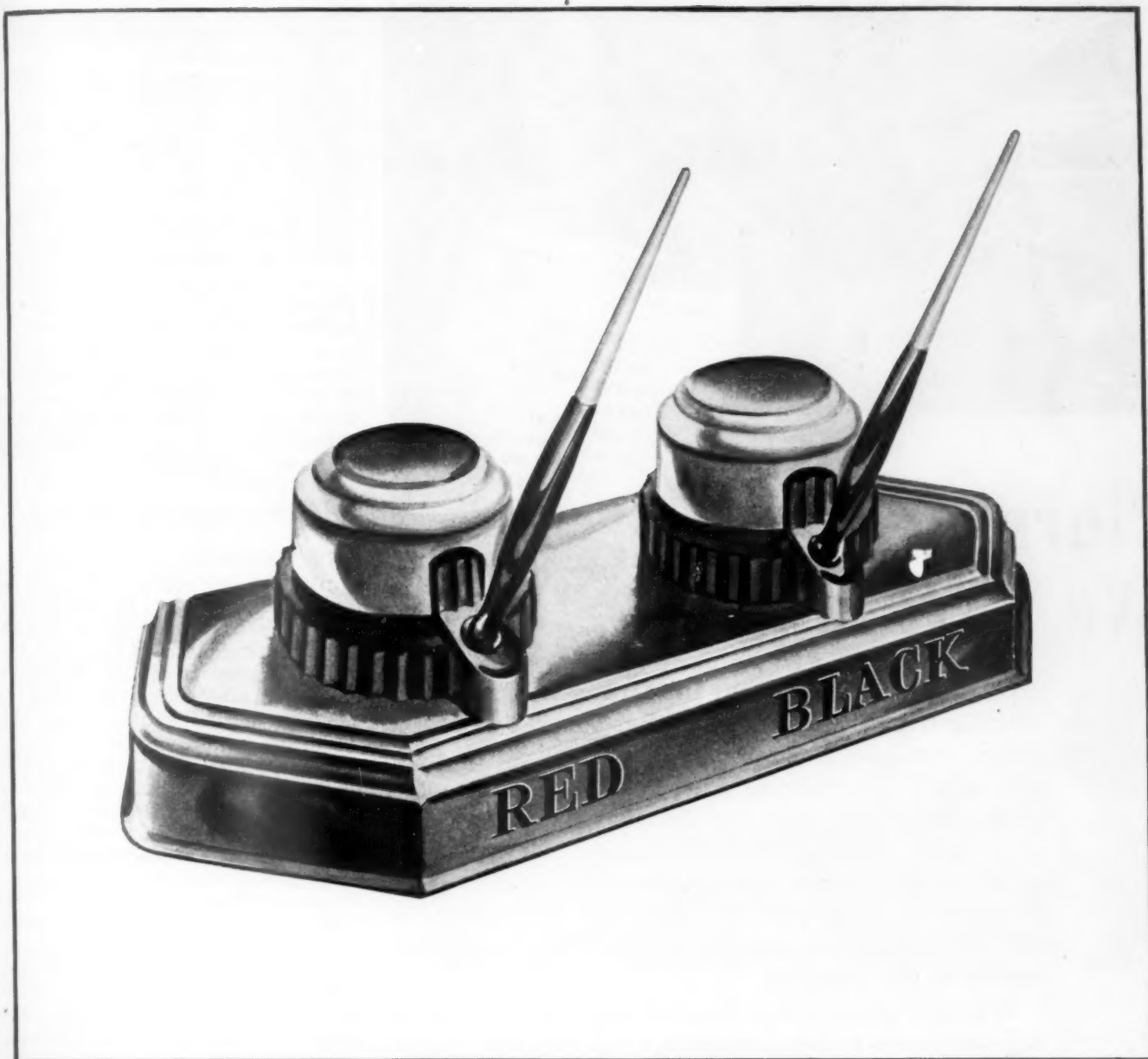
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Which ink will you be using ten years from now?

Smart industrialists are looking ahead...evaluating today the things their business will need to stay on the black-ink side of the ledger.

That's why alert industrialists are building factories in the South served by the 8,000-mile Southern Railway System. They know that this is a fast-rising section on the nation's industrial

barometer...that it has all the natural and economic advantages needed for steady, profitable growth... that it holds the bright promise of a "black-ink" future for all industries.

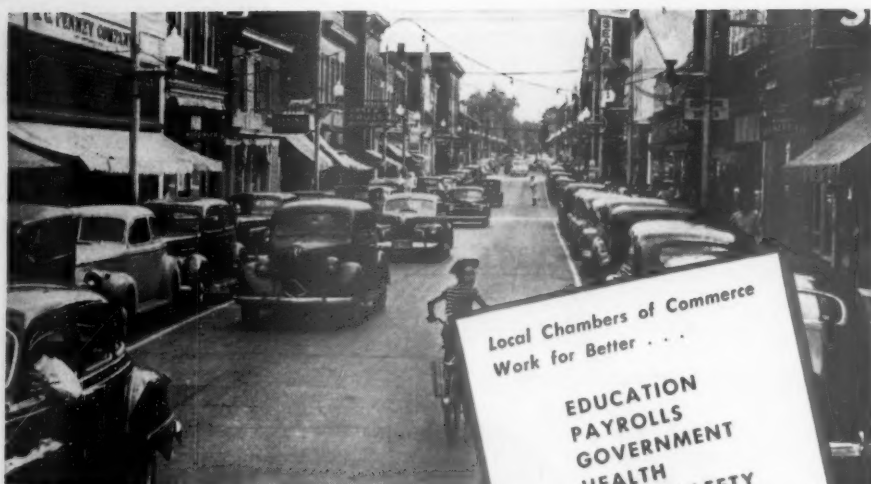
Now is the time to "Look Ahead—Look South!"

Ernest E. Harris
President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South



Sorry, No Parking!

YOU HAVE heard about the farmer who made his weekly trip to town for supplies, parked near the store, and was fined for illegal parking. Now he shops in a neighboring town.

Of course, the parking incident didn't happen in your town, but the lack of parking facilities can mean inconvenience and the loss of dollars to the community. A person is not a customer until he can get his feet on the ground . . . near where he wants to do business.

Whether you are merchant or manufacturer, helping customers to the ground is good business—good for you, good for the community. Your local chamber realizes this and gives top-rating to such transportation problems.

However, this is just one of the many activities of local chambers. Others are indicated on the above list.

▶▶ NO MATTER how good your local chamber officials are, they can't do their most effective work without your help. Ask them what you can do. Then if you want to dig deeper into the possibilities of chamber work, read, "Local Chambers, Their Origin and Purpose." Write us for a free copy.

**Chamber of Commerce of the
United States of America
WASHINGTON 6 • DC**



Local Chambers of Commerce
Work for Better . . .

EDUCATION
PAYROLLS
GOVERNMENT
HEALTH
PUBLIC SAFETY
RURAL-URBAN
RELATIONS
FIRE PREVENTION
TRANSPORTATION
RECREATION
BUSINESS-PUBLIC
RELATIONS

by mail. Its alpha particles, although of high speed, have little penetrating power.

The curious always ask the Pregels how much metal radium they sell. The answer is: none. Radium, the element, oxidizes too rapidly for general use. This would be wasteful in a world where the total supply is today only about five pounds. The Pregels' entire sales of all radium products marketed over a year consume less than half a pound of the pure element. So the bulk of sales is made up of radium salts. Usually these are radium bromide or radium sulphate. They go to the customers in the form of fine crystals (white, like salt), and always travel in minute quantities and special packages.

Special packing required

THE weight of a shipment is limited to two grams. It may be shipped by Railway Express only, and the packaging is rigidly specified. There must be a lead box inside a wooden box; and the lead's thickness must vary according to the amount of radium and the length of time it will be in transit. A two-gram shipment (cost to the customer approximately \$50,000) will weigh about 1,700 pounds if it goes from New York to San Francisco and the container will have sides, top and bottom of four-inch-thick solid lead.

For all these products the Pregels have three centers of production. There is a plant in Mount Kisco, New York, whose entire business is secret. Experimental products and research on new uses of radioactive materials are developed at a laboratory in New York City. (During the war, incidentally, most of the Curie Institute staff of Paris was working here for the Pregels.) The company's actual manufactory is on East 16th Street in New York City.

Here it turns out natural atomic-energy products under the special conditions made necessary by the basic material. Blocks of lead, inches thick, screen radium sources from workers. Most manufacturing operations are performed under hoods and behind lead-loaded glass, through holes cut for entrance of the arms and hands. The air of the factory has to be tested periodically—to check for leaking radon gas.

Although work in such a factory might appear to be hazardous, actually it isn't, due to the numerous safeguards. Canadian Radium's oldest scientist and director of laboratories at the 16th Street

plant, Dr. B. A. Veebrink, has been working in the field of radiation for 34 years and is still hale and unaffected at 67.

Radium is "tricky" to work with. This factor—and that of safety—places the business forever outside the mass-production category. For, imagine mass-production methods in a plant where the basic working material often disappears! The company's business manager often exclaims to the plant staff:

"More supply! Where's that 100 milligrams I gave you last week?"

And the usual answer:

"It disappeared in a reaction."

The Pregels have a decidedly modest-sized organization. Total personnel runs to about 100. Their salesmen number only five. Regarding the inner workings and basic policies of the company, either brother will tell you:

"We do little advertising and seek even less publicity—due to the nature of the business. We make no Dun and Bradstreet report, and our sales are never announced publicly."

Today the company's biggest customers for both uranium ores and radium are national governments. What governments, and the amounts they purchase, are secret.

New uses are sought

NEW applications of radium compounds are on the way in electronics, in precision instruments (as in delicate balances where static electricity may destroy accuracy), and in various branches of medicine. But one of the most promising new uses, the Pregels think, is in fertilizer.

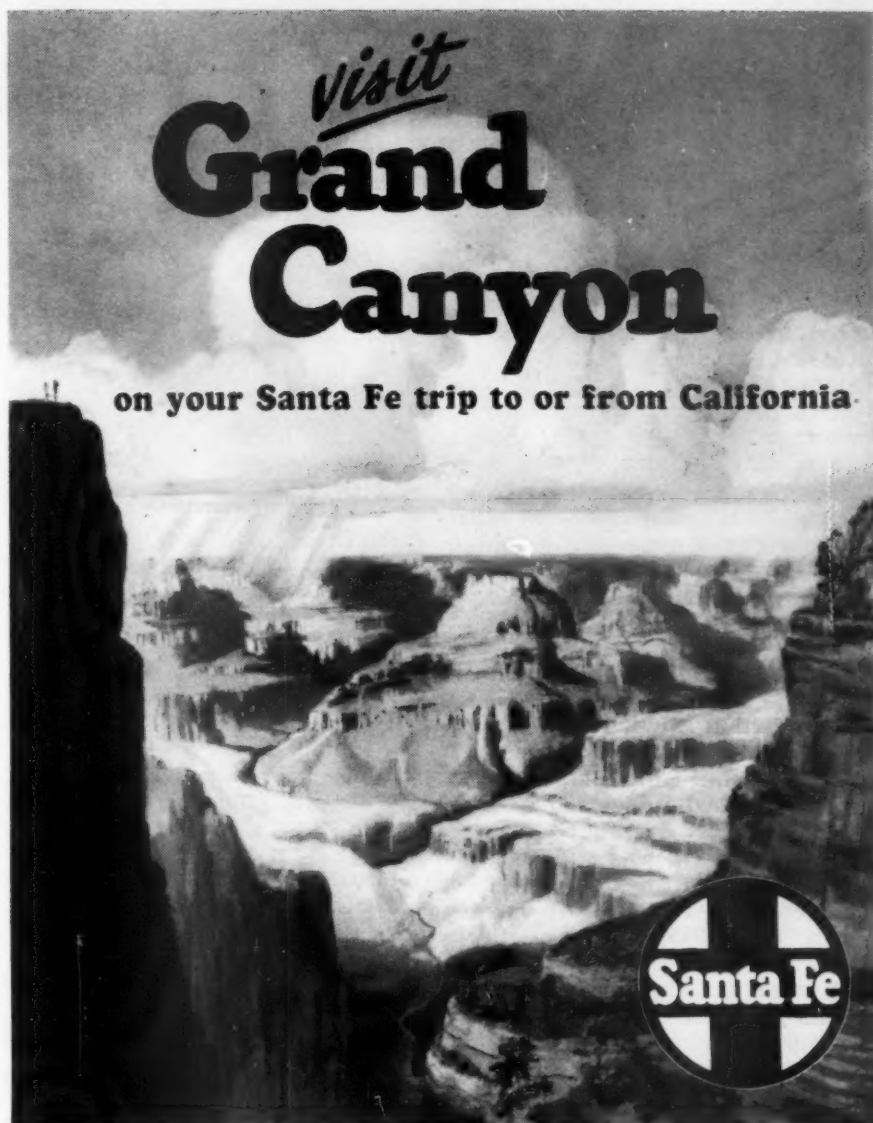
Researchers have discovered that atomic energy apparently has a peculiar and mysterious power over plant life. It speeds up growth, and if certain radioactive materials are mixed with ordinary inert fertilizer materials, the results may make a farmer blink.

Carefully controlled experiments, the Pregels say, have increased carrot crops 28 per cent by weight, cabbage crops 33 per cent, lettuce crops 53 per cent.

In a sugar beet test, the radium produced only six per cent more beets. But there was nine per cent more sugar!

And the addition of the radioactive materials is not prohibitively expensive.

"It may possibly," Alexander Pregel declares, "bring about a small revolution in some types of agriculture. But we do not at this point like to raise hopes for more."



Santa Fe is the only railroad entering Grand Canyon National Park

Santa Fe provides daily Pullman service all year 'round direct to the South Rim of Grand Canyon via a swift daily train . . . "The Grand Canyon"

Visit Grand Canyon—a natural wonder every American should see. On the South Rim, the escorted trail trips to the bottom of the Canyon and the drives along the Rim may be enjoyed any time during the year. And El Tovar Hotel, Bright Angel Lodge, and Phantom Ranch—all under Fred Harvey management—are open the year 'round. Mail coupon for new Grand Canyon folder.



T. B. Gallaher, General Passenger Traffic Manager
Dept. NB-1, 80 East Jackson Boulevard, Chicago 4, Illinois

Please send me your new Grand Canyon folder.

Name

Address

City State

It's All Gravy to Uncle Sam

By HAROLD HELFER

"WHILE yet a child I sent my sick mother flowers and buds once in a while in a letter. While in school I probably sent letters overweight as my change was scarce. I hope you will accept this \$1 bill for any postage I might owe."

The U. S. Treasury accepted with alacrity the one buck from this Pennsylvania woman and, as a result, its "Conscience Fund" was increased a little more.

This bids to be the biggest year in history for this fund that started in 1811 when astonished Treasury employees passed around a \$5 bill from an anonymous citizen who declared in a letter he had defrauded the Government and was suffering "the most painful qualms of conscience." The fund has grown to \$1,035,465 over the years.

Through the first five months of this year the take was \$68,842, more than half of last year's record-breaking \$105,777.67.

Most of the contributors are anonymous. Contributions usually range from \$5 to \$10 but they may be anything from a two-cent stamp to \$30,000 in cash. The biggest single bloc of conscience money now is coming from ex-GIs.

"Enclosed please find \$6.60 for gas mask lost on train," wrote one former serviceman.

"Here's \$80 for gas illegally used while in service," wrote another.

Some contributors are vague about what prompted their remorse—many envelopes contain only money with no word of explanation. Others go into details.

A gentleman from New York state wrote:

"Enclosed find U. S. Postal money order for \$30.37 for past evils and obligations as explained herewith:

"A farmer's watermelon stolen 25 cents.
 "Peanuts stolen..... 50 cents.
 "Four baby chicks stolen.....\$2.
 "Cream drunk off churn of milk \$1.
 "Stole way into movie house 40 cents.



THE Treasury never ducks a dime or a dollar when it comes through the mail from one with conscience trouble

"Three bricks of ice cream stolen\$1.05.

"Small jar of cream stolen 17 cents.

"\$25 for services rendered at a government clinic which clinic claims no record."

From Clifton, N. J., came a letter containing 50 cents in stamps with the explanation that a butcher had sold the sender 30 cents' worth of "bad meat." In retaliation, he had stolen 30 cents' worth of merchandise from the butcher. Later, having received 20 cents' worth of "bad groceries," he did the same thing. His conscience did not permit him to keep the merchandise thus obtained without payment but, "the stores didn't deserve it," so he was sending it to the Government.

From the Pacific Coast came \$500 with a note that said, "I have sinned and am repentant and herewith make restitution."

Sometimes conscience works slowly. The Treasury got a letter

from a California Navy yard worker in 1939 stating the sender had taken some things in 1906 that hadn't belonged to him. In 1915 he had inquired as to the worth of the material. Now he was making restitution. A \$5 bill was enclosed.

Another recent \$10 came from a Union soldier who wrote that he had walked off with a government mule and had had a troubled mind ever since.

Occasionally some odd cents are received from a citizen simply because loose figures annoy him. The letters read something like this:

"I note where the U. S. debt is \$200,175,355,100.06. Please accept this six cents so that it will be a more even amount."

The people who send in conscience money are not necessarily aware that there is a conscience fund. They only know that they want to give the money to something or someone governmental.

There is no instance of anybody who mailed in "conscience money" changing his mind and asking for it back, but a family of a man who sent in \$100 requested its return, stating that he must have been crazy to have done such a thing.

Sometimes, too, institutions ask if they can have a slice of the fund, or a private citizen sends in a missive along this line, explaining that a few thousand bucks would come in handy and he'd appreciate it if the same would be forwarded him.

They waste their time. The conscience money, known technically as Files No. 4870 and 4800, goes into the general fund.

Contributions fluctuate widely from year to year. Most come from small towns and comparatively few are the result of income tax cheating.

Obviously, all the contributions are not due the Government.

But the Government takes it just the same, never questioning anything.

Some day Uncle Sam's conscience may hurt just a little for this, but it hasn't yet.

Not So Simple a Simon



If Horatio Alger ever popped up again, he'd almost certainly make a bee-line for M. F. Keathley's new pie plant in Memphis, Tenn.

Because, if there ever was a real-life character out of Mr. Alger's classics, it is Mr. Keathley, the pie man. Back in 1930, he was about to lose his job. He had only \$3.50 to his name.

Married, and with two youngsters, he opened his lunch pail and bit morosely into his wife's small muffin-ring pie. His wife sure could bake pies, he thought.

Then an idea smote him. Memphis had a lot of things, but it didn't have a nickel pie. Well, why not?

His enthusiasm was catching and Mrs. Keathley bustled around her kitchen. They sank their cash reserve—the \$3.50—into flour, shortening and filling material.

The next day he placed the pie at a neighborhood cafe and grocery store. Sixteen dozen were sold.

That was the beginning. Every day he would make the rounds of the neighborhood cafes and stores, leave his pies.

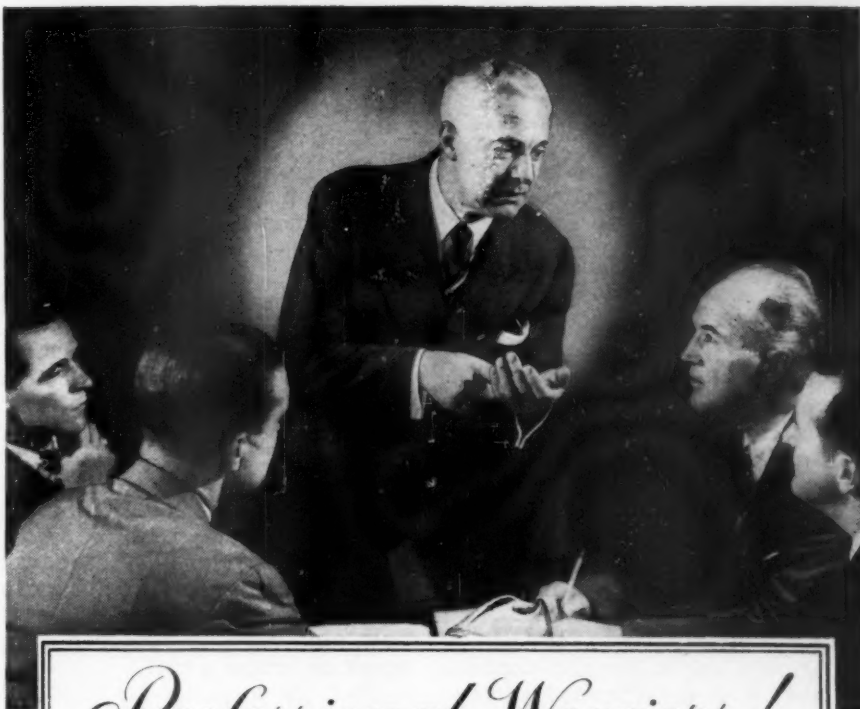
The Keathleys hired the lady next door, and soon were turning out 600 pies a day. People seemed to like getting a whole pie for a nickel.

Soon Mr. Keathley was able to buy a small car in which he carried his pies throughout Memphis. The next move was into a larger house, then a store.

Good pies and industry paid off. The modern plant into which Mr. Keathley and his pies moved recently cost \$100,000.

From the beginning he proved he was not a simple Simon.

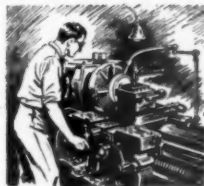
In Memphis, the folks weren't worried about flying saucers. They said they were just Keathley pies making the rounds.—H. H.



Professional Worriers!

Every business, time and again, runs into production snags. When the problem is *lubrication*, we're often called in to do the worrying. And eight times out of ten we come up with the right answer—*fast*. Because that's our job day in, day out, year after year—putting petroleum to work *efficiently*. This backlog of experience, coupled with the world's finest lubricants and fuels, is your best reason for calling Cities Service next time trouble calls on you.

CITIES SERVICE STOPPED TROUBLE HERE!



A screw products company in Cuyahoga Falls, Ohio, called on Cities Service for advice on machining a part of an intricate mechanism

made of aluminum that required extreme accuracy and finish. Chillo Oil No. 22 was recommended. Thereafter, the manufacturer reported, the machined work was not only well within the required tolerances, but the work had a mirror-like finish. Tool life was also phenomenally good.

Hammer Mill Crushers. Cities Service

engineers recommended Pacemaker Oil No. 2. The last report from the company said that since they standardized on this lubricant, no bearing failures have occurred.

A bus company executive in Cleveland, Ohio, recently said, "During the past four years, we used Cities Service Heavy Duty type oil with outstanding results—minimum wear, freedom from sludge and no engine failures—which has enabled us to give uninterrupted service to our customers."



CITIES



SERVICE

CITIES SERVICE OIL CO.

New York—Chicago

ARKANSAS FUEL OIL CO.

Shreveport, La.

Cities Service Oil Company
Room 230, Sixty Wall Tower
New York 5, N. Y.

Gentlemen: I have a production problem that involves lubrication. I would like to discuss it with one of your lubrication engineers, without obligation, of course.

NAME _____

COMPANY _____

ADDRESS _____

CITY _____ STATE _____

Wings on the Old Gray Mare

(Continued from page 54)

Arkansas cities, returned to the college to preside at a farm meeting in the afternoon, took in a banquet in southern Oklahoma in the evening, and was back home in bed by midnight. He is now taking flying lessons himself.

Farmers are not faddists. Any movement as substantial as the current shift to rural aviation must spring from practical sources. These are not difficult to find.

Dorothy Arnold of Longvalley, S.D., flies to Rapid City—13 hours away by rail and automobile—for baby chicks; later flies the dressed poultry back for quick sale.

Lean, young Gene McGill of Oklahoma was a chemist-turned-rancher who spearheaded and became first president of the National Association of Flying Farmers. He had revolutionized the harvesting business by flying ahead of combine crews on their annual swing northward through the wheat belt, selecting the best wheat and making a deal with the owner on the spot.

McGill lives 17 miles from Alva and gets along well without an automobile. In six years and nearly 3,000 hours' flight time McGill has never had a serious mishap.

Planes cover great distances

IN THE magnificent distances of the cattle and sheep country farther west, where most automobile roads are unsurfaced, the farm plane serves an even greater purpose. Already the number of plane owners is proportionately two to four times greater in the Rocky Mountain states than in the East and South.

Chuck Higley, a sheep rancher at remote Baggs, Wyo., flies provisions to his camp, drops poisoned carcasses from the air to kill coyotes, and makes weekly business trips to Denver in 90 minutes—formerly requiring 12 hours of mountain driving.

In an isolated section of the grass-rich Nebraska sandhills, Bud Scheer and his two sons make daily use of their five airplanes to find stray or sick cattle, carry salt to inaccessible pastures, and even round up herds by zigzagging low behind them. Heavy losses to rustlers on the 20,000 acre ranch have been cut to zero by the daily air "patrol."

In the gullied range lands that

sprawl from northern Texas into Oklahoma, Buck Irvin and his flying foremen find the dreary job of the fence-rider is wearisome no more.

"One hour in a plane," Buck declares, "is worth 14 in the saddle."

He has higher speed planes, too, which allow him to cover the entire Southwest in his cattle-buying operations. On another ranch not far away, weather-beaten Billy Wilson checks his 27 windmill watering-places in an hour by plane, a job that requires two or three days on horseback. He carries wire, pliers, and even branding irons on his patrols, landing every now and then to repair a fence break or brand a calf.

Thus the airplane fits itself into the routine tasks of farm or ranch. Important new applications, however, are already on the way. California rice growers have adopted the airplane to meet their seeding problems. A large apiary flies its bees on a "nectar circuit" of a dozen states. Planes are being used extensively to survey soil erosion and to inspect land for purchase.

Nature itself conspires with the rural aviator. Wide areas of the West have good flying weather virtually the year around.

The farmer flies, finally, because it's fun to fly.

"Best recreation a farmer ever had!" exclaims R. L. "Kid" Gibson, 76, of Tahoka, Texas. He began his aerial career at 74. Then there's J. B. Kelsey who runs a small airport northwest of Waynoka, Okla. He was in his fifties when he learned to fly.

With this new mobility, the farm family can enjoy the pleasures of country living yet still be able to

get to town, to distant sales and picnics, and be back in time for the evening chores.

The well-nigh universal western practice of aerial coyote-hunting must also be listed under the heading of pleasure flying. Rex Strickland of Kansas, an incorrigible veteran fly-hard ever since his first homemade plane was stripped by hungry cows after a forced landing in a pasture, makes a profitable business at it. So does Henry Bomhoff of Calumet, Okla., the so-called "dean of flying farmers."

Aid for small airports

THE future is not yet quite assured. Pleading before a Senate subcommittee last year for revised regulations and more federal aid for small airports, Forest Watson, current national president of the Flying Farmers, termed the position of all private aviation "critical."

In some types of farm operation the light plane has proved extremely profitable; in others, however, the pasture-pilot must charge off loss as recreation expenses.

Most of us have come to accept the copywriter's picture of the forthcoming era of aviation—a luxurious, silver-winged glide into a golden sunset. There is now a note of suspicion that the real air age is arriving first and fastest where the flying machine has demonstrated its greatest and most flexible utility—down on the farm. Here the wings may indeed be of silver. But there is always a streak of mud on their undersides.

The pilot carries no debt or financier. More likely, there is a farm wife in a cotton dress, holding a jar of preserves to be delivered to Aunt Martha 30 miles away. In the cargo there are no Costa Rican orchids, but a can of fresh cream or a sick calf.



Often the cargo is a can of fresh cream or a sick calf

There's a Cure for Red Tape

(Continued from page 58)

spread use of modern methods, but as a starter their effectiveness has been well demonstrated. A few cases will serve to illustrate.

The Department of Agriculture has a training course in letter-writing that is said to be a model of its kind, and needs to be, because the Department has a mail of about 25,000 letters a day.

Measuring efficiency

ANOTHER example from the same Department is the streamlining of its library. A working library has practically only two jobs to do for its organization—to lend books and to provide others for reference. You can measure the efficiency of a department library as so many items of circulating and reference load per person on the staff.

Ralph Shaw became librarian of the Department of Agriculture in 1941. The library was consolidated in 1942 in its present form. That year the staff of 225 got out 846,702 items. The next year the staff was cut to 188, and 1,167,460 items were handled. In 1946, the load was 1,916,253 items and the staff was 186 people. The budget for 1946 was a little less than for 1942, and had to cover more than twice the output.

Since this might be described as a form of speed-up, the natural question was why the employees did not quit and look for something easier. Shaw has given the girls a standard morale test, 20 questions to be marked on a secret ballot.

The most unfavorable score came on the query, "Do you have too much work piled on you at times?" Sixty-five answered yes, 76 no, and five ignored the question. But on, "Are grievances handled fairly?" the score was 93-9-46. On, "Are favoritism and politics shown?" 12 said yes, 95 no, while on the query, "If I do good work will I get recognition?" 111 replied yes, 13 no, and 22 had no comment.

The key question in this list is the one about recognition. A spot check on government employees in some other outfits brought out the question:

"Well, why should anybody want to get twice as much work done? Nobody cares, and you'll probably get fired anyway."

There is no answer to that.

The secret of modern efficiency methods is to recognize the em-

ployee and get the benefit of his cooperation. Without that, a government bureau is pretty dead. So is a business, for that matter.

The Civil Service laws are not designed strictly for efficiency, either. Veterans' preference, for instance, may have good reasons, but it adds an undetermined amount to the cost of operation. Laws to protect civil servants against being fired for personal or political reasons are desirable, but they are too numerous and tangled.

Legally, it is not true that incompetents cannot be fired, nor that pay for an expert depends on padding the payroll of his subordinates, but the laws are so complicated that both these rules are widely believed to exist. It is true that pay rates are so rigid as to interfere with good management. An arbitrary limitation on number of employees often results in waste; scientists and other experts, be-



cause of this rule, often do their own filing and typing.

The Government, like all large organizations, cannot hope to get only the cream of the nation's working force, and must fall back on expert management if it is to "get ordinary people to do an extraordinary job." As in business, efficiency depends on top management that can use experts in the handling of employees. In government, there is danger that Congress, looking for economy, will quietly cut off the staff that is necessary for efficiency, and so let the Government in for wastes many times greater than the ex-

perts' salaries. Low salaries in the management levels of government are the rule, on the theory that patriotism or glamor will make up for low pay. But, when Congress substitutes kicks for glamor, the good men soon prefer better paying jobs in business. Efficiency is impossible without competent staffs.

Budgeting is necessary in government, since the job of deciding in Congress what services to order and how much, depends on the system of granting authorization and appropriations. In private business, some of the most up-to-date companies have abandoned the traditional budgeting process because they believe it is wasteful. Similar wastes are found in government. These may occur when a bureau has to spend all its budget before July 1, regardless of need, on pain of getting a cut the next year in the face of an increasing load.

Budgeting may be improved

THE Budget Bureau has been shifting rapidly toward the management side, and, if Congress can get a better understanding of the difference between authorization of work and management of production, the necessary budgeting may be better adapted to efficient operation. Congress could give great incentive to efficiency if it would reward an agency that returns part of its budget, instead of penalizing it.

Accounting is generally regarded by management experts as easily overdone, and a common source of waste. The auditing of the General Accounting Office often is cited as a prime source of wasteful accounting rules in the Government. Prevention of graft is desirable, but the system for assuring it might be less costly if Congress would insist that the General Accounting Office adopt modern methods.

What the Government needs most would seem to be a system, only now beginning to develop in business, for a "management audit." At present, good management can be assessed roughly by its savings compared with past records, or by comparing costs with similar work in other organizations.

But a more definite way of showing results, for the benefit of congressional committees and of observers from business, would be worth looking for. Congress needs the advice of business executives who can explain how they use management experts and how they recognize efficiency when they get it.

Why Our Cities are Hard Up

(Continued from page 46)

fertile tax fields which federal and state governments have pre-empted, it is small wonder that cities are seeking new sources of revenue. Few realize the many ways already found to extract a cent or a dollar from citizens and corporations.

Income taxes pay well

OUTSTANDING is the city income tax, an equitable tax because it is based on "ability to pay" as are no others. Philadelphia was the first to adopt it. Washington, which is neither city nor state in government, has it, and St. Louis and Toledo followed last year.

The *per capita* return in each city was: Washington (one to five per cent) \$13.50; Philadelphia, \$13.06; St. Louis (one fourth of one per cent) \$4.90, and Toledo (one per cent) \$11.52. Return *per capita* is a fairer comparison than a city's total receipts to show the revenue raising capacities of a tax.

Administration expenses were small. Also, the *per capita* return in Washington and Philadelphia was larger than from any other single source of revenue, except property tax, in any other city.

While a city sales tax nicks everybody, its *per capita* return is much smaller than an income tax. California and a few other states permit a city sales tax; Missouri, Nebraska and others forbid it. In New Jersey and Illinois a city sales tax is possible if municipal officials wish to put the question on the ballot for a referendum, while Ohio, Michigan and a few others share their state-collected sales tax with the cities.

Some city sales tax collections in 1946 were: New York (two per cent) \$6.23 *per capita*; Atlantic City (three per cent) \$12.16; Santa Barbara (one per cent) \$11.43; and Los Angeles (one half of one per cent) \$4.27.

Having the same result as a sales tax but invisible to the customer because the merchant either takes the loss or adds it to his prices are the business taxes in many southern and Pacific coast states. Though cities compute them dif-

ferently—a percentage of gross receipts or sales, a percentage of stock inventories or so much per employee—each gets you in the end.

If anyone doubts that a tax lurks behind every door, glance at the list of additional license and permit fees for occupations which may require supervision or inspection. The list of tax possibilities includes: bicycles, motorcycles, garages, trailers, tourist camps, hotels, rooming houses, dogs, street canopies, advertising signs, ticket brokers, circuses and carnivals, peddlers, laundries, soda fountains, food handlers, saloons, restaurants, night clubs and slot machines.

If recreation is needed for this list, the paying citizen finds that many cities have their own amusement tax—a recognized nuisance—in addition to a state and federal levy. New York City interprets club membership as an amusement and collects five per cent on annual dues. LaCrosse, Wis., soaks a tavern \$25 if it has a music box,

state will give them its four-cent tax. In addition to federal and state tobacco taxes, most cities charge two cents on a package of cigarettes (one cent in Baltimore), ten per cent on cigars and five per cent on other tobacco.

When the liquor business is reached, city tax hounds run wild. A city license costs \$100 to \$1,200. Chicago garners \$2.70 *per capita*; St. Louis, 76 cents, and Kansas City, 66 cents. Wisconsin, North and South Dakota and Minnesota permit cities to run their own saloons. In 1946, 231 smaller Minnesota cities averaged \$14,700 net profit on their municipal saloons, better than \$20 *per capita* and almost eliminating taxes. In addition to licenses, many cities add their consumption taxes to federal and state.

Special taxes for motorists

HITTING fewer persons but arousing louder howls are the city gasoline taxes. Of 242 cities which add this feature to motoring, all except a dozen are in Alabama, Missouri and New Mexico. They usually settle for one cent a gallon, but Aberdeen, Wash., takes five cents.

Pennsylvania shares with its cities.

In the same family is the city motor vehicle license permitted in 12 states and enforced in 40 Illinois cities. It runs from \$5 to \$10 a car and returns as little as \$1.75 *per capita* in Washington, \$1.13 in Chicago and 91 cents in St. Louis.

Buses and taxicabs are good for additional contributions. Chicago computes bus taxes on mileage; Shreveport, La., and Saginaw, Mich., on seats. Other cities take from seven to 15 per cent of gross receipts.

In almost every city a public utility—water, gas, electricity, telephone or transportation—pays a franchise tax with an additional levy on either each consumer's bill or gross receipts. The latter is smoother politics as the consumer does not see it on his monthly bill and may forget he is paying it to the city. It runs from one to ten per cent but, contrary to general opinion, is small *per capita*.

Charges for services which once were free is the householder's chief grievance at the financial doldrums of the cities. Charges for using city sewers are spreading,



and a night club is worth \$1,000 to Wheeling, W. Va. Some cities levy a percentage, usually five per cent, on each admission ticket, while others figure on gross receipts.

Tobacco and liquor taxes are not considered nuisances, possibly because their users are willing to pay for what others believe are bad habits. Kansas City started city cigarette taxes in 1938. Of 35 cities with tobacco taxes, 32 are in Missouri, Alabama and Florida. Courts invalidated them in Atlantic City, Omaha and Wheeling. Florida cities will abandon theirs if the

Let's Wake Up Rip Van Winkle!

Millions of bushels of food may rot in our fields this harvest time, instead of being available to the world's markets—because we are short of freight cars.

Here is a way that thousands of cars can be freed for service in a hurry.

ARE you interested in the price of food? Does it give you a twinge to see those pictures of mountains of wheat piled on the ground and potatoes going to rot—when there's a desperate world food crisis?

The bottle-neck is our freight-car shortage. But thousands of cars could be freed by a single decision—if old-line railroad managements would act.

Don't Blame the War!

This is hard to believe, but it's true: we have today only three-fourths as many freight cars in our country as we had twenty years ago. This shrunken fleet is now called on to handle the greatest peacetime traffic in history. And the war itself is not to blame for the shortage—for in no single year from 1925 to the start of hostilities did the railroad industry buy as many cars as it junked. Twenty years is a long time for even Rip Van Winkle to sleep!

What Can Be Done?

There is at least one remedy that can be applied at once—despite the steel shortage and other difficulties in car-building. This remedy requires no new equipment, no period of time—nothing but an act of management:

Lift what appear to be agreements between railroads that deliberately slow down freight trains!

Here is an example. There are eight important routes by which you can ship "fast" freight from California to Chicago. These routes vary in length as much as 450 miles. But, curiously, the time schedule for each of the eight is exactly 118 hours—and 30 minutes!

Similarly, scheduled freight trains moving west over the important routes from Chicago to the Coast areas, despite great differences in terrain and mileage, take exactly 130 hours—on the nose!

Is This Free Competition?

Could it be that these schedules are fixed by agreement? That the trains



Are old-line managements asleep in the dell while many freight trains creep at a snail's pace—by agreement?

which could be fastest are held back for the slowest—so that no road can have even the slightest competitive advantage?

Railroad men know that, in many instances, a whole day could be cut off these schedules between California and Chicago—if managements would simply order it. If that were done, on these roads and on others, it would ease the national car shortage at once!

There is good reason to believe that by lifting deliberate freight slowdowns, on the roads that still practice them, we could provide more cars this summer and fall than our shops can possibly build. And every car is desperately needed!

A Call For Action!

The next few weeks will be the critical ones in our food problem. Our wheat crop is estimated to exceed any previous record by 300 million bushels. It is even now being piled in the fields—for want of cars.

If you feel as strongly about this as the C&O does, write to your newspaper and your congressman.

Ask them to stir up Rip Van Winkle—and tell him that time is short. Demand that our trains be scheduled not merely to suit the private deals of the railroads, but so that we can make the best use, for the whole public, of our depleted stock of freight cars!

The Chesapeake and Ohio Railway

Terminal Tower, Cleveland 1, Ohio

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either a flat monthly rate or one based on water consumption, plumbing fixtures, rooms, frontage or family. Rates have been hiked on suburbanites who formerly received police and fire protection, water, gas, electricity and drainage at city prices. Some efficiency experts have set graduated rates for refuse, lawn mowings, ashes and garbage according to the number of calls and cans a week.

Business men now pay to get on city streets. The new tax producer is christened "curb cut." Little Rock charges \$1 a foot when the area exceeds 15 feet; Dallas raises the free width to 20 feet; Bellingham, Wash., quotes a bargain price of 35 cents beyond 10 feet.

City hotel taxes on room rates are a new item for a weary traveler's dreams. New York State, Rhode Island and Florida permit their cities to add them to the bills.

Unusual taxes help

A FEW cities sit pretty from novel sources of revenue. Taxes on pari-mutuel betting machines pay all the expenses of Saratoga County, N. Y., while New York City garners \$14,000,000 from its racing season. Maryland gives \$1,250,000 to Baltimore, and Louisiana, \$400,000 to New Orleans from their racing take. Louisville and St. Louis have profitable toll bridges. Cincinnati has a railroad. Dallas profits from its radio station.

While most cities are hard-pressed to meet their budgets, Kalamazoo, Mich., and Colorado Springs, Colo., are the only two with populations of more than 25,000 that are free from debt. Many smaller cities are debt-free—34 in Wisconsin alone. Others are on a pay-as-you-go basis and have ample reserves.

Fortunately, all but five states—Florida, Kentucky, Nevada, Texas and Vermont—share part of their revenues with their cities. States which have first cut on the tax melon have awakened. Last year, the other 43 distributed \$400,000,000 of state-collected revenues to cities in addition to state aid to schools and public welfare. It was only a small part of state collections. Also, much of it was earmarked for specific uses.

New York State has pioneered in stabilizing the distribution of state-collected taxes among cities. These collections are distributed on a *per capita* basis of \$6.75 to cities, \$3.55 to towns and \$3 to villages. Each municipality can use the funds as it pleases. Contrasted with New York State's \$6.75 per

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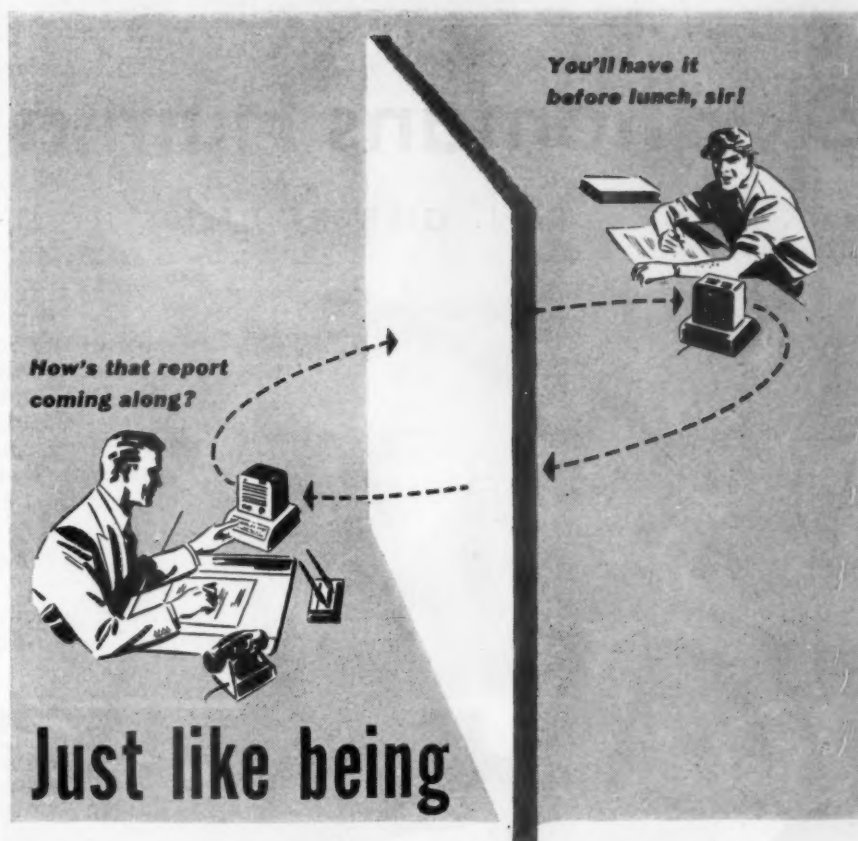
head, Cincinnati received \$13.10, Boston \$13.03 and San Francisco \$7. But not without strings.

Among New York State's grants for specific purposes, state aid for schools is based on an average daily attendance for three years; the state share of welfare and relief costs is increased to 80 per cent; and sharing automobile license fees, gasoline taxes and highway maintenance costs with the entire cost of snow removal is continued. In this category, New York City drew \$88,500,000, or \$12 *per capita*. Other states also were generous, as Milwaukee received \$19; San Francisco \$18.23, and Detroit \$16.96.

Clarence B. Ridley and Miner B. Phillipps, respective executive directors of the International City Managers Association and the Municipal Finance Officers Association, both with headquarters in Chicago, were asked how cities can steer clear of their troubles. Their conclusions are:

Cities must not only get their fair share of federal and state-collected revenues but must be freed from present federal and state shackles. Taxes should be uniform, spent for the benefit of those who pay them, and levied on a fair basis, particularly property valuations. Cities must operate for civic, not political efficiency. The useless effort in collecting two or three separate taxes on the same commodity—as gasoline, motor vehicles, tobacco—is obvious.

Briefly, the salvation of the cities is to get more home rule and show they can ably administer the share of public revenues to which they are entitled.



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Oklahomans Hum a New Tune

By J. GILBERT HILL



Visitors look over the state's wares in the train that set a new peak for sales promotion



PHOTOS BY HILL

There were a number of objectives to such a tour, but the main one was to get more business interested in the Sooner State. At the end of 17 days on the road it was agreed that much had been accomplished—hundreds of business executives in Cleveland, Buffalo, Boston, New York, Philadelphia, Pittsburgh and Cincinnati had visited the train and learned what Oklahoma had to offer in the way of industrial expansion and natural resources.

Advantages are learned

THESE executives learned that Oklahoma's communities had desirable sites for new and profitable business; that power was available in quantity; that living conditions guaranteed a minimum of congestion, and recreational facilities for low income workers as well as high-salaried employees. The train was an ambitious project of 61 towns and cities in which was shown what the state as a whole had to offer. When the traveling advertisement parked on a siding or in a central terminal its salesmen-riders contacted business men in the city and invited them to visit the train.

The result has been that Oklahoma's research and industrial foundations have been approached by various industries with an eye to establishing branches in the state or to furthering the sale of additional products. A national advertising program will focus greater interest on the state.

John Dunkin, Tulsa and Oklahoma City merchant, is credited with promoting the tour. Dunkin suggested to his associates that "we ought to go out and tell the world about Oklahoma as a place to do business." Universities, the State Planning and Resources Board, the Oklahoma Geological Survey and others joined to provide the facts and material that made up the train's display. Local business men wrote to manufacturers with whom they did business informing them of the proposed tour and the anticipated time of arrival in their city.

The result now is that Oklahoma knows what industry wants. And, many industries whose representatives visited the train, know what Oklahoma has to offer. The important thing to Oklahomans is that more than a few of these industries are planning to do something about it.

That is the vision the state's business men had to start with. That same vision can be seen in other areas of the nation. It only requires ordinary digging of the type that originally opened up the West.

PANACEAS for business have been hitting the public prints in ever-increasing numbers over the months—cure-alls for labor-management strife, possible recessions and economic unrest in general—but it remained for Oklahoma business men to do something more than just dream dreams.

For too long it had been felt by some people that Oklahoma had little more to offer than collections of teepees, Indians and lots of room. Civic leaders decided this summer that the best way to correct this misconception was to go back to the old-fashioned method of getting out and digging. These leaders, 167 in number, dug both financially and physically.

They dug financially to the tune of \$200,000 and physically to the extent of organizing a 15 car industrial tour that carried them and a display of the products and resources of their state to 11 of the nation's industrial centers of the Midwest and East between St. Louis and Boston.

You're Richer Than You Know

(Continued from page 41)

could have brought in \$25,000 to \$50,000 in salary.

There are two distinct types of men who fit naturally into niches at opposite ends of the business spectrum. There is the man of complete independence, who rebels against all authority, who must stand by himself. He cannot abide office routine. He may be smart and enterprising, but he is likely to prove a disrupting influence in any office, and he will not be happy in any business except his own.

On the other end is the man who likes the neatness and order of business discipline, who finds contentment and security in a large corporation—the larger the better. He would feel lost and distraught at the head of his own concern.

Both these groups are minorities. The great majority of us are never quite certain whether we made the proper choice—whether, if we could do it all over again, we wouldn't take another path.

An honest comparison

THERE is a fairly easy way to reach a solution to this problem, which one day will surely confront you, if it hasn't already. Try honestly to reconstruct your life as if it had progressed along other lines. Analyze your chances. Place yourself in the position of men who took a course you now envy.

If one of your friends has boasted that he made \$100,000 last year, recall how much he lost in '37, or '41. Nobody ever heard any one brag about how much he lost.

Odds are that you will discover you're in the business you like best and that you have progressed as far in that business as your age, and the opportunities for advancement, warranted. Then take your salary and see how much capital you'd have to possess to draw an equal amount.

Now add one psychological test:

Do you still get a thrill out of competition? Are you happier when you "sell" a thing, or an idea, than when people just walk in and "buy" it, without selling being necessary? Do you think your company renders a service to the country, or to humanity?

If the answer is yes to those questions, you don't have to apologize to the mirror.

You're happy with your work, and richer than you know.



What the *New* National Guard Means to You . . .

A Message from the President of the United States

WE OWE our existence as a nation to the tradition of service of our citizens. It was an army of citizen soldiers which George Washington led to victory in the American Revolution. At the end of that war, the first Congress asked General Washington to give his views on what the military policy of the new nation should be. This was his answer:

"... every citizen who enjoys the protection of a free government, owes not only a proportion of his property but even of his personal services to the defense of it."

Today the new National Guard gives every man an opportunity to give that personal service to his country and at the same time to advance himself. In National Guard units

all over the country thousands of veterans and other ambitious young men are finding the opportunity to study and learn the things that help them advance in their civilian jobs. They are finding the fellowship that is part and parcel of America. They are participating in a sports and recreation program that keeps them fit. And they are receiving the training that helps keep America strong.

Because of the National Guard's importance to our national defense I have proclaimed September 16th as National Guard Day and have directed that a nationwide recruiting campaign be conducted to fill its ranks.

Harry Truman

Here's how the National Guard Helps You

Pay ★ Education
Fellowship ★ Training
Sports ★ Leadership

Write or visit
your community's unit of the

**NATIONAL
GUARD**

of the United States

You'll find the few hours each week that you spend with your local National Guard unit pleasant and profitable. Pay is based on new Army pay scale. Veterans can obtain same rank held upon discharge. And now young men 17 years old may join the National Guard. For complete information about the National Guard in your community, contact officers of that unit or write the Adjutant General of your state.

Help keep the Peace!

Help the National Guard in your town reach its recruiting goal . . . now!

The Rifle is America's Heritage

(Continued from page 49)

provisions, and would use light-weight loads. Bullets at 32 or 34 to the pound would be easy on the shoulders in the morning but weigh like paving stones at night.

What has since become known as the "Kentucky rifle" was created by many forgotten gunsmiths around Lancaster, Pa. This rifle was so accurate up to 100 yards that it was taken for granted a skilled rifleman would need only one shot to bag his game. This simplified transportation and provisioning problems.

Few wasted bullets

THE one-shot tradition persists to this day. Col. Townsend Whelen, Washington sportsman, author, gunbuilder, and accepted dean of American riflemen, would blush if he wasted lead. A difference in conditions must be considered, of course, in such shooting. Nowadays the game is by comparison scarcer and more wary and the shooting distances greater. In Daniel Boone's day the hungry traveler need only sit near a waterhole. Broadly speaking, of course.

The rifle became an American habit because of political and economic conditions. In Europe, game was protected and only the lord of the manor or his well-heeled friends had a legitimate use for rifles. Gillies and gamekeepers were permitted to have rifles to serve their lord's purpose. Any other rifle owner was automatically suspect. The consequence was that European—and English—rifles were fine and costly tools.

In this country every farmhouse had a rifle over the mantel. It was used to get meat, for protection and, now and then, for a little feudin'.

The result was that the American rifle developed rapidly from the flintlock of our early history to the precision weapon of today. Breechloaders came into use before the Civil War and were used considerably during that struggle.

After the Civil War the business of making rifles and riflemen enjoyed a kind of loose boom. Some veterans moved West and helped destroy the huge buffalo herds.

Those were black powder and heavy slug days, and the Sharps rifle was made to order for buffalo killing. It was a breechloader and to its rapidity of fire and accuracy

the Union victory at Gettysburg was largely due. The buffalo gun preferred was of .50 caliber and threw 550 grains of lead 1,000 yards with reasonable accuracy. The buffalo were done for by 1872. A period followed during which many varieties of sporting rifles were made.

The Army and Navy, in accordance with American custom, had been cut down to boy size. Congress had had a flash of reality and provided for the maintenance of a government arsenal at Frankford, Pa., which turned out small quantities of ammunition.

Then came the first World War. Again in accordance with American tradition, our manufacturers hastily converted, turned out immense quantities of rifles for our Allies and ourselves. Peace followed, we pared the Army down to the core, and set about being happy ever after. In the years that followed only du Pont and the Olin companies maintained research and development organizations.

It is perhaps no mere happenstance that these two companies are now leaders in the arms and ammunition business. The Federal Cartridge Company is the only large independent ammunition manufacturer.

Rifles for civilians

THE output of sporting rifles in the interim between the two World Wars was, of course, a mere flea-bite compared to the immense number of rifles needed in war. What was of prime importance, however, was that the two companies and their lesser competitors had preserved the know-how.

It would be no exaggeration to say that this was a vital factor in our ultimate victory. The English had enacted restrictive legislation that had practically destroyed rifle manufacture except in small quantity for the use of wealthy sportsmen. The English could not possibly have turned out the weapons needed in the time required. Our Government gave them 1,000,000 or more rifles from its stock.

We were to need up-to-date rifles for an army of 14,000,000 men—especially the Garand semiautomatic, outstanding rifle of World War II.

Two government arsenals could not have supplied one tenth our needs. Government-built plants

and Olin and du Pont were called on for the know-how. The wholly unbelievable volume of production was made possible by the automobile industry. The "boys from Detroit" were called in to help the gunmakers, and for a time neither side believed what it saw.

"We'd never get out of the red if we made autos the way you make rifles," said the Detroiters.

"You can't make rifles that way," cried the gunsmiths.

In the end each learned from the other. As one authority said:

"The chief contribution of the Detroiters was in kicking awake some brains that had gone to sleep in the rut of tradition."

Training men to shoot

SECOND in importance to the gunmaking was the training of the men who were to use the guns.

Seventy-five years ago former officers of the Civil War organized the National Rifle Association—the N. R. A.—to institute a uniform system of small arms training.

Congress at the turn of the century gave the Association quasi-official status by legislation which established annual national small arms competitions to be conducted by the War Department and the N. R. A. By 1916 the idea of civilian rifle clubs had been developed to such an extent that Congress included provisions in the National Defense Act for War Department assistance.

When the war came the Army found itself with no small arms training films and with a dearth of instructors. The N. R. A. turned over the films it had made in 1938 and 1939. It had put in operation a plan for preinduction training in small arms which was operated through 1,300 affiliated civilian rifle clubs. These schools turned out basically trained riflemen in sufficient number to have constituted five infantry divisions.

With its 300,000 members, 4,500 affiliated clubs and its own technical and research divisions, the N. R. A. is a fair-sized business.

The Sporting Arms and Ammunition Institute of New York City reports "the revenue from excise tax on firearms and shells for eight months of 1946, as shown by monthly statements issued by the Commissioner of Internal Revenue, was \$17,384,994."

This is an item not to be sneezed at by any taxpayer.

But with all this the lowly rabbit shooter produced the greatest and the steadiest volume of business with his trusty .22.

Men Behind "the Truman-Marshall Plan"

(Continued from page 35)

for many years was a partner in the firm of Cravath, deGersdorff, Swaine and Wood, a firm with banking and foreign clientele. In the early '30's, McCloy was in the Paris branch of this firm and there became a friend of Jean Monnet, international banker and author of the "Monnet Plan" for the post-war reconstruction of France's industrial plant.

During the war, McCloy was an Assistant Secretary of War and became familiar with—and perhaps enamored of—government administration. At the end of the war, he resigned and became a partner in the law firm of Milbank, Tweed and Hope in New York. But in 1947 he accepted the job as president of the International Bank for Reconstruction and Development.

The new World Bank had started in 1946 under the presidency of the widely respected but aging newspaper publisher, Eugene Meyer. The chief architect of the Bank, however, was Harry D. White of the U. S. Treasury, generally classified as a New Dealer.

New Dealers in bank

WHITE had been instrumental at Bretton Woods in laying down the foundations of the institution and in selling the idea to the public so successfully that Congress approved our participation. White brought with him into the Bank many of his New Deal associates and the future policy of the Bank took on such social outlines that the financial community, to which the Bank would have to sell its bonds, did not look with favor on the institution. Meyer, who announced that he had only wished to get the Bank organized, resigned.

McCloy, who was regarded as acceptable to the Wall Street bankers, set to work to restaff the organization and renovate its reputation. Traveling extensively, he managed to sell the idea that the Bank would conform to sound financial practices and that its securities would make good investments, not only for bankers to hold and market, but also for insurance companies. By July, the World Bank had acquired a much more favorable reception and on July 15 successfully floated its first issues of bonds—totaling \$250,000,000.

The vigor with which McCloy undertakes his role, as well as the teamwork he utilizes, appears in the following story:

He proposed late in June that the World Bank finance German coal production, and asked our ambassador in Great Britain to visit the Ruhr and investigate. The ambassador is Lewis W. Douglas, recently appointed, and a former insurance company executive. Douglas is also McCloy's brother-in-law and was his classmate at Amherst 30 years ago. It is interesting—as a case in point of the interrelation of our diplomacy and finance—that it was the president of the World Bank, not the State Department, who asked the State Department envoy in Britain to go on this mission.

McCloy brought with him into the Bank new faces, replacing the New Dealers. Among these were: Eugene Black, vice president of Chase National Bank; Robert L. Garner, formerly of the Guaranty Trust Company, and formerly financial vice president of General Foods.

One of the objectives of McCloy of the World Bank, Martin of Export-Import and other officials is to revise the hitherto critical attitude of the public toward foreign loans. "A dollar loaned abroad is

not a dollar lost" is their slogan.

Also significant of the new element in the Government was the appointment of Andrew Overby to take Harry D. White's place as U. S. representative on the International Fund. Overby learned the banking business in the Irving Trust Company of New York, later joined the New York Federal Reserve Bank. President Allan Sproul of that Bank recommended him to Secretary of the Treasury Snyder, who made him "Special Assistant" in place of Harry D. White who had resigned. At present, Overby serves part-time as Snyder's assistant and part-time on the International Fund.

Overby likes to tell a story illustrating the non-political character of the new staffing of the Government. Only after he had become Assistant to the Secretary of the Treasury did Snyder—more conversationally than anything else— inquire about his new subordinate's political affiliations. It did not seem to matter to the Treasury head whether or not he had a Republican in his organization.

A composite picture of these new business men in the Government adds up to this: Average age—50; college graduates; backgrounds in banking, investment and law; most of them in World War II in some capacity; geographically drawn from the East, Middle West and South, but not many from the Pacific Coast.

The difference between the aver-



"Steady with the string, Ed, I want to get the rest of this nice and even"

Put your Plant where



the whole
TOWN
is on your
Ball Team

The citizens of Talladega, large and small, from Banker to Bootblack, own the development. They all contributed to the purchase of the former ordnance plant, backbone of the industrial set-up. They are all determined to build a modern center on wholesome, democratic, American principles.

Ready-built industrial buildings
10,000 to 60,000 square feet
Full Railroad facilities
FOR SALE CHEAP

- Abundant Cheap Power
- Ample Labor Available
- Center of the South
- Favorable Taxes
- Near to Birmingham
- Year-round Climate

Write for the Full Facts!

Coosa Valley Development

The Entire Community is
Back of the Development

Talladega, Ala.



Brings Your Entire Organization to Your Desk

Without Anyone Leaving His Department

Your decisions swiftly, completely carried out; questions answered instantly; eliminates office visiting. The electronic back-and-forth voice communication saves steps; it speeds business tempo. No waiting for switchboard connections ... no busy signals ... no loss of time.

FLASH-A-CALL offers you

- Absolute privacy
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age age of these officials and the New Dealers of the '30's may be instructive. Ben Cohen in 1937 was 43; Tommy Corcoran, 37. Thus the average age of the Brain Trust which produced the court-packing scheme was 40. It may make a difference that the men of the "managerial class" of 1947 have the maturity of 50.

The maturity is accompanied by real experience. The new men who occupy the seats of power are Washington-wise, know the byways of government as their elders in the '20's never did. And they have a wider and deeper familiarity with world problems, economic and political, than did the Wall Streeters who ventured innocently into the business of foreign lending two decades ago. Finally, they possess something which American business has long slighted—a political know-how, a sapience in the techniques of domestic and international politics.

Old ideology is out

IF the trend of "world aid," signalized by Secretary Marshall's speech at Harvard in June, goes far, these men will give it form and substance. Certainly, New Deal ideology will have little part in such a process.

This conservative character should spell less friction, better teamwork. Looking back again to 1940, it is interesting to note the nature of the board which headed the NDAC—National Defense Advisory Council—the first of the defense alphabet setups.

On NDAC were Knudsen, Stettinius, Budd, Chester Davis, Sidney Hillman, Leon Henderson and Harriet Elliott (dean of women at the University of North Carolina, named to supervise the interests of the consumers). The last three were New Dealers.

From then on, there arose many rivalries and warring intrigues between New Dealers and business men in the Government. The disputes about government ownership of war plants, and the controversies over relaxation of the antitrust laws were a few of the great battles, now too soon forgotten.

There are two veterans of that epoch who should also be mentioned along with the newcomers to Washington. James V. Forrestal left the banking firm of Dillon-Read & Company in 1940 to enter the Navy Department of which he later became Secretary; today he is Secretary of Defense, under the unification of the services. Averell

Harriman of Brown-Harriman followed diplomacy, then settled down as Secretary of Commerce. Both have learned much, not only about the foreign scene, but also about the profession of bureaucrat.

That they have stayed on is testimony to the attraction the profession holds for business men. A story about Paul Porter, a New Deal wheelhorse, illustrates the lure of appointive executive office. Porter, after a number of years, left the Government and was employed in private industry at a salary many times what he had received in the Government. Within a year he was back in a Washington job. Why did he return to officialdom?

"Well," he explained, "in industry they would send me to California on a deal involving \$50,000. In government I'm now working on a deal involving \$50,000,000."

Porter was refreshingly frank. It would be difficult to ascertain accurately what motives have sent the men mentioned here to Washington. In some cases, no doubt, their firms thought it a good thing for an officer to become familiar with government operation.

But lessons learned by other business men in the Government have not been entirely lost. One of the younger officials mentioned was heard to say:

"I try to keep in mind every day the necessity of sticking strictly to duty and to make decisions on the basis of the good of the community, not of whether or not it will give me and my division in the Government more power at the expense of private business."

Bankers have learned

BUT it is not too much to say that the underlying incentive of these "bankers-in-government" has deeper, more bitter well-springs of action. The average commercial business man may have but a dim memory of the harsh words of Roosevelt and his aides in the early '30's about "money-changers." Bankers have not forgotten. The new men in the Government are inspired by the resolution that this shall not happen again.

It is safe to say that the new directors of the Marshall-Truman policy will, so far as they are able, conduct themselves in such manner that it will be difficult, if not impossible, to make them whipping boys in some future New Deal era. For they remember the imprudent actions of the '20's. For them, the motto is—"Not twice in a life-time."

Your Headaches Are Just Growing Pains

(Continued from page 38)

stallations but, starting from the 1947 scratch, they propose to spend \$5,000,000,000 in the next five years. The five-year total expenditure represents more than one third of the capitalization of the entire privately owned industry. This will be possible because the rates have gone down and the consumption has gone up—

If that is a paradox, any man in the business will eat it. At the same time the chemical industry gets into the trend fashion. Industrial chemicals are being ground out at a rate more than four times the 1935-39 tempo, and new factories are sprouting everywhere.

Diversion explained

APOLOGIES are offered for this diversion from the Fund's comment on the progress of American trends. It was dragged in only to support the Fund's generalizations by concrete evidence, although no support was needed. The National Bureau of Economic Research recently upset the theory that each successive depression is destined to be more serious than its predecessor and without that theory, Karl Marx's five-pound book is just a whistling upwind.

The Department of Commerce has just published a study of our national income which in its turn buttresses the Fund's statement. No doubt we'll rock the boat now and then but the evidence seems conclusive that the trends will carry us through.

We have plenty of what it takes, as the Fund sees us; natural resources in plenty, although some were depleted by the war, and free access to other world materials. By 1960 atomic energy may be on tap. There is no danger of technological unemployment. We have reached the point where any shortage in industrial capacity can be built up to in a hurry. Nor need we worry about excess capacity. We can eat, build and dress up to our limit of production for a long time to come.

A fair deduction from the conclusions reached by the economists is that we will be going strong by 1960. But we will, in fact, just be getting started. A new process has been announced that will make gasoline more cheaply from waste coal than it can be piped out of the ground.

Dr. Frank B. Jewett, until his re-

tirement, president of the Bell Telephone Laboratories, thinks we may be able to get power out of green things more easily than from coal, which is millions of years old and dried up as compared to rutabagas and string beans. Both green things and coal get their potential from the sun. Our sheep may not be able to meet the competition of the textiles made of skim milk, but one member of the minority will continue to insist that no chemist can ever produce a synthetic mutton chop that can mate fruitfully with a baked potato.

But the trend is there, moving on its predestined way. A girl's summer clothes, including toeless shoes, weigh only three pounds and a couple of ounces, according to the *Washington Post*. Our grandmothers used to hide their legs in layers of petticoats. The things they wore above the waist not only almost broke their backs but made them look like something from the attic.

The men make by comparison a somewhat depressing showing. In 1910 there were 92,000,000 people in this country and they knocked off a total of 133,000,000 gallons of distilled spirits, not to speak of beer and wine. In those days three drinks of good whisky could be had for a quarter. Today the women are on the barstools but the *per capita* consumption of hard liquor continues to be a little less than a gallon and a half, which is just what it was 37 years ago.



"And you have no transportation problems. You're only 10 hours from London"

The *per capita* cost remains about the same, too.

Making allowance for fluctuations due to prohibition and the war, it appears that we spend \$5.10 each on liquor annually. Considering that the dollar is worth not much more than half what it used to be, and that a snort of bonded whisky moves up toward the dollar level, it appears that we are more temperate as time goes on. It may be, of course, that the whisky sold over the bars nowadays lifts the hair a little faster.

There will be changes in the course of the next 12 years, but the trends remain constant. The urban and rural non-farm population will grow more rapidly than the population as a whole while the farm population will continue to decline. The continuing mechanization of the farms lessens the manpower needed and improved communications aid the families to escape the isolation of rural life. In rough outline the city dwellers will increase by 18,000,000 by 1960, rural non-farm population will increase approximately 7,000,000, and 2,000,000 fewer persons will live on the farms.

Wage gain is seen

IF THE average rate of unemployment is five per cent, as past experience seems to warrant, in 1960 there will be 60,200,000 persons at work and 3,200,000 unemployed. The average output per man-hour was 74 cents in 1940. By 1960 it may reach \$1.03, on the assumption that it will continue to increase at the rate of 18.2 per cent per decade. Farm hands once worked 72 hours per week but by 1960 they may be down to 48 hours. The cows must be milked twice a day seven days a week. Assuming that the two weeks' annual vacation will be practically universal in 1960—which the Fund does—non-farm workers may be down to about 38 hours or less than a five-day week.

In 1960 we will be faced by a surplus of women. The average family size will have been reduced to about three and one-half persons. It probably hasn't much to do with anything, but in 1960 there will be more middle-aged men of from 45 to 59 years old, and the housing shortage will have been so corrected that fewer of them will have to live in hotels and bachelor apartments.

A student of the report would conclude that about as many women will be working in 1960 as at present. This conclusion is buttressed by the Department of Com-

O.K. for hitch-hiking—



...but N.G. for sorting checks

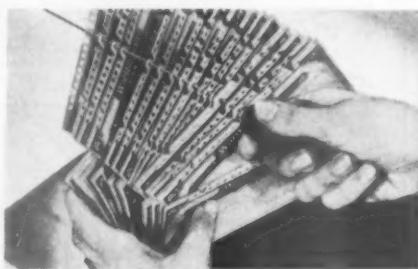
A sturdy thumb is a standard accessory for a ride-moocher, but makes an awkward tool for sorting checks. Thumbwetting, shuffling and riffling waste precious hours at check reconciliation time.

With Keysort, your accounting department arranges checks more accurately, in any sequence . . . and cuts sorting time as much as 85%!

ALL your present checks can be converted to Keysort without redesigning, without the installation of expensive or complicated sorting equipment, without interfering with present office procedures. Any office worker can learn Keysort operation in a half hour.

The cost? Negligible compared

with the resulting savings in time and money . . . increased efficiency and the elimination of bookkeeping bottlenecks. Keysort is a tool your accounting department just can't afford to be without! Ask the nearest McBee man for a demonstration.



LIKED BY EMPLOYEES because it turns check sorting from a long, boring chore into an easy, interesting, jig-time operation. Keysort is so flexible that two or more people may work on the same job at the same time.



THE McBEE COMPANY

SOLE MANUFACTURERS OF KEYSORT

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merce report that the beauty business and its collateral relations account for a lot of money. Tipping bell boys, beauty parlor operators porters, waiters and barbers takes \$400,000,000 from the national pocket annually. We are spending twice as much for tobacco as we did a few years ago. It is the judgment of the Fund, however, that about all the women who are going to learn to smoke cigarettes have learned and that the proportion will remain fairly constant in the future.

The long-run rise in the American standard of living has meant that an increasing proportion of the take-home pay has been spent in having a good time. Recreation has become a national habit. Ski-running has become big business, dude ranching is growing, and fishing in its various manifestations engages a considerable share of the population at one or another time.

This suggests a need for better roads, more hotels, sunnier beaches and more airplanes. In 1960 expenditures for private transport equipment will have increased sharply, with a heavier share going for airborne vehicles. In its turn this means there must be more and better airports, with more certain means of communication and safe landing.

Desires will cost more

THERE is a difference between what we must have and what we would like to have. Rent and food come under the first heading, but it may be commented that many people will cut down a little on woolen underwear to keep up the payments on the new car. The Fund estimates that, in 1960, we will spend \$134,000,000,000 for what we must have—at 1944 prices—but would cheerfully shoot another \$10,000,000,000 for what we would like to have if we could get it.

None of this should be taken as prophecy.

But the Fund points out that "if we can avoid the universal devastation of atomic warfare and if we can continue to spread the benefits of a constantly increasing productivity in the United States, we can go on to economic and cultural heights as far—and farther—above those of today as those of 1947 are above the imaginings of our great grandfathers back in 1847."

And that—continuing to quote—"In spite of our strikes, depressions, unemployment and economic wranglings. . . ."

We're pretty good people.

Retail Oak Under the Maple Leaf

(Continued from page 44)

T. Eaton Co., the city had a population of 49,000. Now, its population is nearing 700,000.

Timothy's first store measured 60 by 24 feet. Today, Eaton's space in Toronto alone has been placed at nearly 85 acres, and they are exceedingly fruitful acres of floor space. Eaton's profits are nobody's knowledge because the family-owned store makes no public accounting.

The only public statements made by the firm on its business were issued in 1934 when a Royal Commission held hearings on prices.

It is probable that Eaton's did more than half of all the department store business done last year in Canada. No retail organization in the United States even approaches this proportion of sales.

Little business in U. S.

EATON'S has never come south of the border, except to buy. It considers that its job is big enough without reaching out for more territory. Its 1,000,000 circulation catalog is never mailed beyond the Dominion's borders, and the firm doesn't encourage American patronage by mail. It probably handles a negligible amount of business from Americans who order food and clothing packages sent to England to avoid the high tariffs on shipments originating in this country.

Sometimes, however, Eaton's can't escape our business. When the International Federation of Business and Professional Women Clubs met in Paris last summer, they dined on food bought from Eaton's. The Toronto shopping office got an \$11,000 order when American members learned that the Canadian contingent had arranged for a food shipment to insure healthy, wholesome fare in Paris—and at low-for-cash prices.

The average American who lives in or near a trading center can hardly appreciate the part Eaton's plays in Canadian life. Many Canadians live in remote places, and the store's catalog is not only their supply line but often their life line.

Their appreciation of the "satisfaction-or-money-back" policy

can be readily imagined. Eaton's will not only take back unsatisfactory purchases, but will pay carrying charges as well on purchases of \$2 or more.

One Eaton executive tells of his first experience with the money-back policy. He was managing the apparel department of a main store when a customer came in with a dress she had bought two years previously.

Indignant that any woman would have the audacity to return a dress after keeping it for two years, he refused to return her money. She appealed to the managing director of the store, and got action—fast.

A note was delivered in a few minutes to the apparel department manager, requesting his presence in the director's office. The dialogue that took place was brief, but to the point.

"Would you like to continue to work for Eaton's?" asked the director.



"That's my aim."
"Do you approve fully of Eaton's policies?"
"Yes sir."
"Then apologize to this woman for your delay in refunding her money. When there is any change in our policies, you will be instructed accordingly."

Eaton's has learned what countless merchants everywhere have learned—that the customer who knows she can return a purchase, buys with greater confidence and faith. She senses that only a re-

tailer of integrity can exist with such a policy.

One of the thriving cities of southeastern Canada has no Eaton store and an Eaton executive was evasive when asked for an explanation.

Subsequently the reason came out. The founder had been a lifelong friend of the town's leading merchant. It hardly would seem friendly now, Mr. Eaton is said to believe, for his company to move into his friend's city.

Holidays mean no work

THIS piece of incidental intelligence about the Eaton way of business life is neither unusual nor uncommon. While they would possibly be the last to disavow any interest in running a profitable business, and no more efficiently operated retailing enterprise can be found within our own borders, the Eatons feel a sense of responsibility in their leadership and position.

John David Eaton, present-day head of the company, reinstated the year-round Saturday half holiday in the Toronto store, although he was aware that Saturday is the busiest shopping day of the week. Some employees who stayed on the job for stocktaking were told to clear out. A half holiday to J. D. didn't mean working behind the scenes.

Eaton's characteristic insistence upon complete accuracy is revealed in small as well as big things. In describing its red, blue and gold decorations for the 1939 visit to Canada of King George and Queen Elizabeth, it put the word "gold" in quotes.

There are two things you can't buy at Eaton's, cigarettes and liquor. Until 1933 you could not even smoke a cigarette in any of the store restaurants. Eaton's will sell you only pipes, cigarette

holders and lighters.

When the Overseas Tobacco League requested Eaton's to handle orders for service men during the war, the company wouldn't let scruples stand in the way of a patriotic service it had been called on to perform. The company agreed to handle the order and make deliveries, but it returned all profits to the League. Only in relatively recent years has it been possible to buy playing cards, poker chips and such. However, there are few other limitations on Eaton's



It takes acres of suds for the *Golden Crescent* dishpan

A city housewife would hang up her apron if confronted with a *Golden Crescent* stack of "dishes" to wash. In addition to the three-times-a-day assortment of dishes from big family meals, there are the milking machines, milk pails and cans and a half dozen other utensils that must be cleaned thoroughly. Not to mention the mountains of wash in the laundry room!

Naturally, this kind of operation takes a lot of soap and other detergents—much more than an average city family uses. That's why special advertising copy is needed in favorite farm publications to stress the special fitness of the product for farm uses.

You can reach these *Golden Crescent* farm families, with other general media, of course, if you use enough of them. But you can cover more than two-thirds of these substantial farm families easier, quicker, and at low cost, with only three publications—*Michigan Farmer*, *The Ohio Farmer* and *Pennsylvania Farmer*. You can build volume sales now among these big users while you build a backlog of dependable customers for the future.



The Golden Crescent
Rurally Rich—Politically Powerful

© Capper-Harman-Slocum, Inc.

stock. You can buy anything from an outboard motor to the latest Paris creations.

It is a safe surmise that the Toronto store does the biggest telephone order business in the world. On heavy days, its 48 operator switchboard handles as many as 50,000 calls. The average is 18,000 calls a day, but it has handled as many as 95,000.

The efficiency of the switchboard is something to marvel at and envy. One test showed that on a day when 40,000 calls were handled, customers averaged a little over ten seconds in getting the department requested.

Buying everywhere

EATON'S maintains buying offices in all parts of the world. It puts its merchandising emphasis on "best regular values in town." Two research laboratories test all merchandise before it is bought. Comparison shoppers keep the firm posted on competitors' values.

The company's advertising rules would drive many a copywriter to distraction. The use of superlatives is forbidden. The nearest term is "our best." Eaton's believes that a trusted name will sell more, and more satisfactorily, than overstatement. It has the figures to support its belief.

The company buys more than three quarters of its merchandise in Canada, buying abroad only what the Dominion doesn't make, or make better.

Some American stores have adopted the Eaton system of making each department manager serve in the double role of buyer. Eaton's believes that the person responsible for the sale of merchandise is best equipped to buy it.

Nobody at Eaton's rises to the top by any quick or magic route. Every director or executive started at the bottom. Each executive is a specialist in some phase of the business. From the president down, executives are expected to see and be seen. And they live up to that.

John David Eaton, 37 today and 33 when he assumed the presidency, had long, intensive training before moving to the top. Young presidents are not new. John David's father, the late Sir John C. Eaton, was 31 when he succeeded to the position.

The grandson of the founder was chosen according to the terms of his father's will, which instructed his executors to select the son best suited when the youngest child had reached 27.

Complete control by the chosen

son was assured because all of Sir John's stock was bequeathed to the president to be selected. That meant all the stock, because the only shares held outside are those held by directors to meet legal requirements.

Eaton's third president has worked at everything from truck driver to grapefruit-taster. He puts in four or five months a year visiting the company's stores. When in Toronto, he spends a part of every afternoon touring the store, and he is not above pacifying the irate customer who wants to carry his beef right to the head of the company. He is among the company's top executives who fly their own planes.

The manufacturing growth of Eaton's rivals that of its retailing operation. Factories that began in the 1890's with ten sewing machines had been expanded by 1941 so they could produce more than 12,000,000 uniforms, in addition to miscellaneous other war goods.

Many special services

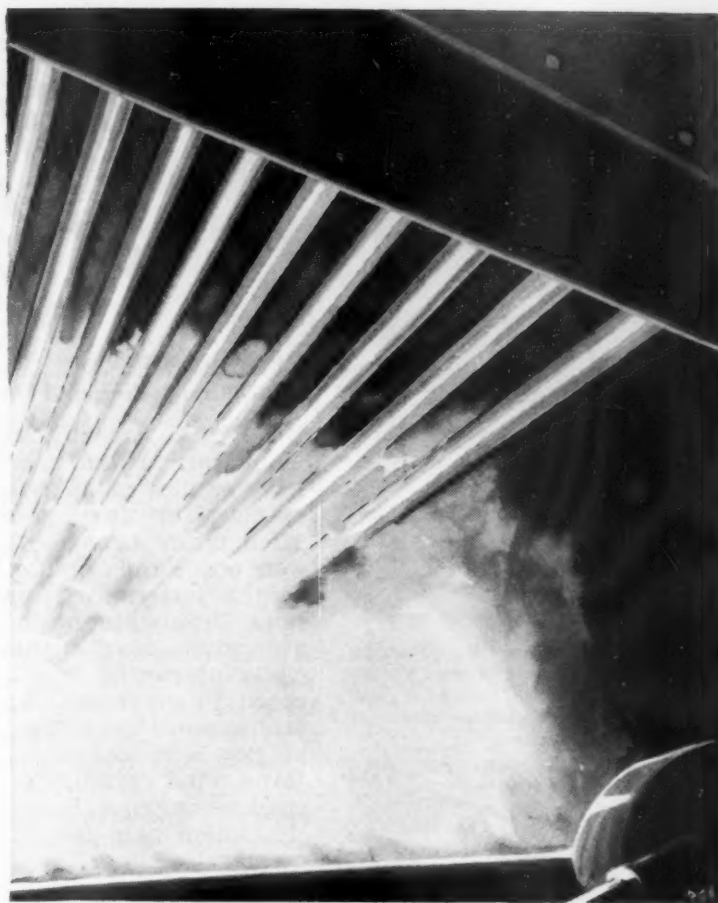
MYRIAD customer services, civic activities, and social work have integrated the company so securely into the lives of all Canadians that it is nearly an inseparable part of their existence.

Employee relations have been excellent down through the years. It is company policy to pay the highest wages consistent with sound operations and to give more in the way of benefits than any union might demand. A company that pays well, and whose noncontributory retirement plan pensions men at 65 and 25 years' service and women at 60 with the same years of service, isn't particularly vulnerable to union inroads.

Sick benefits include sick pay, hospitalization, and the services of the company's doctors and nurses. To the employee in need, the company's welfare department extends loans without interest.

Eaton's is saying nothing about its expansion plans though the company is known to have some for main stores that have passed their business saturation points, but there will be no new construction until Canada's housing shortage is relieved.

Timothy Eaton always was eager to find "good men." Good men of integrity, industry and enterprise have made Eaton's a unique institution. When 11,500,000 customers scattered across a continent buy \$300,000,000 worth of goods from a firm, its stock in trade is not merchandise alone.



NATURAL GAS

*.. abundant
.. economical*

In Alberta, industry has available one of the continent's major reserves of natural gas. There are few other areas in the world with a more abundant supply, at lower industrial rates. From reserves of over a trillion cubic feet, your industry in Alberta is offered a tremendous source of cheap, efficient heat, and a versatile raw material for chemical industries. Natural gas in Alberta is another reason why farsighted industry is investi-

gating this industrial land of tomorrow — now!

Natural gas production in Alberta is over 50 billion cubic feet yearly—well over 70 per cent of the entire Canadian total. B.T.U. content is high—up to 1172 per cubic foot. Average industrial price, (gladly supplied on request), is one of the lowest on the continent. Natural gas distribution is province-wide, providing a clean, cheap, abundant raw material and fuel to speed your industrial development in this free land of free enterprise.

ALBERTA has WHAT YOUR BUSINESS needs!

AG-12

WRITE... THE INDUSTRIAL
DEVELOPMENT BOARD
Administration Building



GOVERNMENT OF THE
PROVINCE OF ALBERTA
Edmonton, Alberta, Canada



Needs only 4 fillings a year! A practical, dependable lighter of smart, modern design. Ideal for your desk or den. Covered in black or tan leatherette. Heavily chrome plated. At better stores everywhere.

Engineered with the Famous Galter Precision-Milled Ignition Wheel

Memo to Executives

The GIANT Lighters make an excellent gift for your 1947 goodwill advertising. These can be supplied with individual chromium initials or with embossed firm name imprinted—or both, if desired.

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Reading for Pleasure or Profit...

"The Balkans"

By William B. King and Frank O'Brien

HERE is an account, mouthful by mouthful, of how the Russians have swallowed up Bulgaria, Rumania, Yugoslavia and Albania. Their methods of gaining control were crude and familiar, including forged letters and prearranged riots. The chapter on the economic absorption of Rumania is especially interesting. That country's great wealth is now owned by a group of Sov-Rom corporations, the majority stock belonging to Russia, which paid for it with "reparations" exacted from the Rumanians.

Even granting our distance from the scene, these authors say, American policy in the Balkans has been absurdly weak. Only in Bulgaria did U. S. representatives, Mark Ethridge and Maynard Barnes, manage to stave off for a time the Red dictatorship.

It is also disturbing to read of so much self-sacrifice and dogged courage in the biographies of Balkan Reds—especially the women, Mme. Pauker and Mme. Dragiocheva, who have controlled, respectively, Rumania and Bulgaria. Many of these communists are persons of a stature to be reckoned with.

King and O'Brien's book (Knopf, 501 Madison Ave., New York; \$3.50) includes colorful notes on shenanigans in the Balkans ("To be Rumanian is not a nationality but a profession") and background material for following the current conflicts in Turkey and Greece.

"Nations and Peace"

By I. A. Richards

ONE of the inventors of Basic English has used it to good purpose in this deceptively simple, hard-hitting book on world government. In language as lucid as a spring sky, Richards shows the inevitability of war in a world of sovereign na-

tions. He further shows how an effective world government could be set up without Russia, if she declines to join; and how the United States—and only the United States—could lead in the practical business of founding a world state. If we citizens force our Government to take this step, he concludes, the thing can definitely be accomplished.

It will be doing the world a favor to send "Nations and Peace" (Simon and Schuster, 1230 6th Ave., New York; \$2) as a present, especially to young people. Cartoons showing ferocious nationalists vary the text.



"Tomorrow is a Holiday"

By Arthur Loveridge

THE curator of reptiles and amphibians at Harvard's Museum of Comparative Zoology took with him to Tanganyika an abundant love for the odder forms of life. His book about the expedition will enthrall the amateur naturalist and astound a reader.

In Africa's moist forests Loveridge found creatures of bizarre beauty and perversity—immense fruit bats, ape-eating eagles, a hyena which opens a hole in its victim's skull and sucks the brains.

Loveridge makes every species exciting, and the reader is fascinated even by the weird little habits of flat frogs breeding in banana trees.

There is high adventure, too, in "Tomorrow is a Holiday" (Harper, 49 East 33rd St., New York; \$3).

"The Trade of Nations"

By Michael A. Heilperin

THIS is a striking plea for restoration of free enterprise in world commerce. Heilperin makes a clear distillation of recent economic events, in which we see that putting a stop to state trading, quota systems, exchange controls and high tariffs is our main hope for peace.

In the 19th century, he points out, with its great freedom of com-

merce on a multilateral basis, wars were at a minimum.

Written for the layman, "The Trade of Nations" (Knopf, 501 Madison Ave., New York; \$3) gives much cold dope on international trade, foreign investment and monetary relations among nations, as well as on America's pre-eminent economic position and problems it involves. Heilperin uses an economist's special equipment to examine the causes of Britain's present plight, the problem of German recovery, and the paralyzing effects of Russia's trade policies.

"The Harder They Fall"

By Budd Schulberg

ANYONE who follows prize fights will both enjoy and be shocked by this novel of the ring. Gene Tunney calls it the best book on boxing since Bernard Shaw's "Cashell Byron's Profession" and is "amazed" by Schulberg's "knowledge of the prize-ring racket."

Through Eddie Lewis, college-bred sports writer and heel, the book recounts the fraudulent build-up and destruction of El Toro, an innocent Argentine giant who is probably modeled on Primo Carnera. El Toro is exploited by a sadistic gang of crooks which seems to control, for big and little money, almost all the ambitious young athletes of the ring. Nick Latka—the big-time operator who employs Eddie as press agent and got his start mugging the man who tended the slot machine—Nick's luscious, two-timing wife, his trainers, promoters and goons, all are flayed by Schulberg's savage pen. Yet the characters remain alive and moving, whether terrifying or pathetic.

"The Harder They Fall" (Random House, 20 East 57th St., New York; \$3) knocks the lid off the boxing racket.

"Hate Will Find a Way"

By Marten Cumberland

COMMISSAIRE Dax brings Gallic wit, flawless manners and calm perseverance to bear on the murder of a young lovely found prone, in mink and a wisp of gauze, on the frozen ground of a Parisian suburb. Tracking his quarry through an authentic Paris, Dax provides a detailed, expert example of the techniques of French detection, very different from those in America. A puzzle in the classic manner, for connoisseurs (Doubleday, 14 West 49th St., New York; \$2).

—BART BARBER

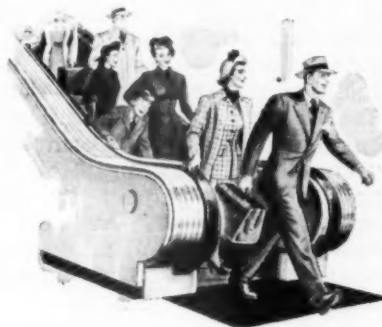
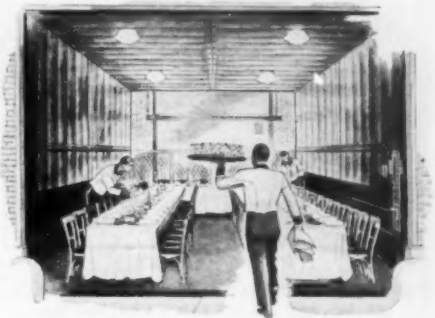
skylines ...

by Otis



In San Francisco, for example, there are 3,394 Otis elevators—more than all other makes combined. High-spot of this beautiful city is the famed "Top-of-the-Mark" Lounge, atop the Mark Hopkins Hotel (*upper left*). Two of the hotel's high-speed Otis elevators are reserved for express travel to the Lounge.

64-DINER QUESTION. Ever hear of a banquet in an elevator? Among the world's largest, the freight elevators in the Port of Authority Building in New York have a floor area of 17 by 34 feet—large enough to seat the 64 diners who held a banquet in one of them. These elevators can handle fully-loaded 10-ton trucks weighing up to 40,000 pounds at a speed of 200 feet per minute, and are just one more example of Otis' ability to build the right equipment for any materials-handling job.



HOW MANY MPH? In Escalators it's not "miles per hour" but men and women per hour that counts. Did you know, for example, that one Escalator can carry 8,000 persons in an hour—the equivalent of the entire population of Cleveland, in a week? Yes the 2,000 Otis Escalators now in service are doing a major transportation job—in retail stores, railroad stations, banks, and public buildings everywhere.

ON THE LEVEL. Do you know a modern high-speed elevator *automatically* stops level at every floor? This Otis development, known as Micro Self-Leveling, continuously maintains the relation between the car and the elevator landings, automatically bringing the car to a fast, yet smooth stop. At each landing it corrects for over-travel or under-travel, irrespective of varying loads or direction of travel. Elimination of "car jockeying" adds to passenger comfort and saves a lot of time.



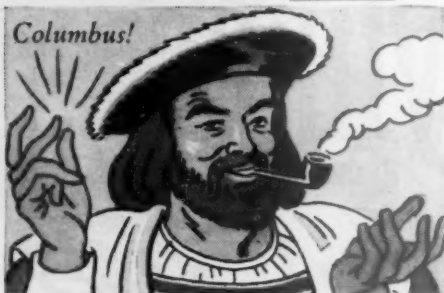
Have you a vertical transportation problem—in an office building, a factory, an apartment house, a store? If so, there is an Otis man in your city who will be glad to give you the benefit of our 94 years' experience.



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Odd Lots

By Reynolds Girdler

More Data

BEFORE a company can get its stock listed on the New York Stock Exchange it must have at least 200,000 shares outstanding. These must be distributed among a minimum of 1,500 shareholders. In addition, a company must agree to make public a substantial amount of information concerning itself. The data you can obtain on any listed company through Exchange facilities is staggering. But still the Exchange wants to know more. It has just asked its listed companies: "What are your practices and policies with respect to stockholder relations?" Answers are now coming in, and many a student of corporate affairs is awaiting the replies eagerly.

★ ★ ★ ★ ★

Return of Eberstadt

NO MAN in wartime Washington did so many big jobs with so little controversy as Ferdinand Eberstadt. He was called to the Capital as chairman of the Army-Navy Munitions Board. He later became vice chairman of the War Production Board. There he originated the Controlled Materials Plan, a responsibility that could have broken a lesser figure. When the war ended, he probed the dangerous Army-Navy unification problem, and saw most of his recommendations become the law uniting the services. Before he could get back to Wall Street, they handed him another hot one: associate (with Baruch) U. S. representative on the United Nations Atomic Energy Commission.

Friends close enough to call him "Eber" were not surprised at his success even in Washington's tense and charged atmosphere. They remembered the "now let's not precipitate a crisis" phrase he often used when bitterness began to arise over a business decision. Eberstadt usually found a way to solve the dilemma without the crisis.

Now he is home again in Wall Street. Like others of superlative ability, he came up fast. After getting his law degree at Columbia, he went into World War I, emerged a captain of field artillery. By the early '20's he was a partner of Cotton & Franklin, the law firm. While there he was tapped for partnership in Dillon, Read & Co., a post he gave up in 1929 to help Owen D. Young draft the plan defining the amount of reparations due from Germany for World War I.

In 1931 he formed his present firm of F. Eberstadt & Co., and soon was underwriting corporations which have since become notable for their growth and all-around success. Ten years ago he started Chemical Fund, Inc., an investment company with \$22,000,000 of assets in chemical company securities. He flies daily to his work from his home at Lloyd's Neck, Long Island, then works through the day at aircraft speed.

★ ★ ★ ★ ★

Trolley Song

THE citizens of Chicago wanted a spanking new transit system, with fast, modern trolleys, buses and elevated transit cars. So the nation's municipal bondsmen took

on a real, old-fashioned, bond-peddling job.

The offering of \$105,000,000 Chicago Transit Authority revenue bonds was the largest revenue issue ever brought out in the U. S. It topped even the whopper deals of the New York Port Authority. By law, Chicago's Transit Authority was compelled first to try to sell the bonds through competitive bidding. One group, which once carried the torch for competitive bidding, huffed and puffed around the issue, then decided to duck out. Chicago's stout-hearted Harris, Hall & Co., aided by The First Boston Corporation and Blyth & Co., stood by and finally worked out an agency-selling deal with the Authority.

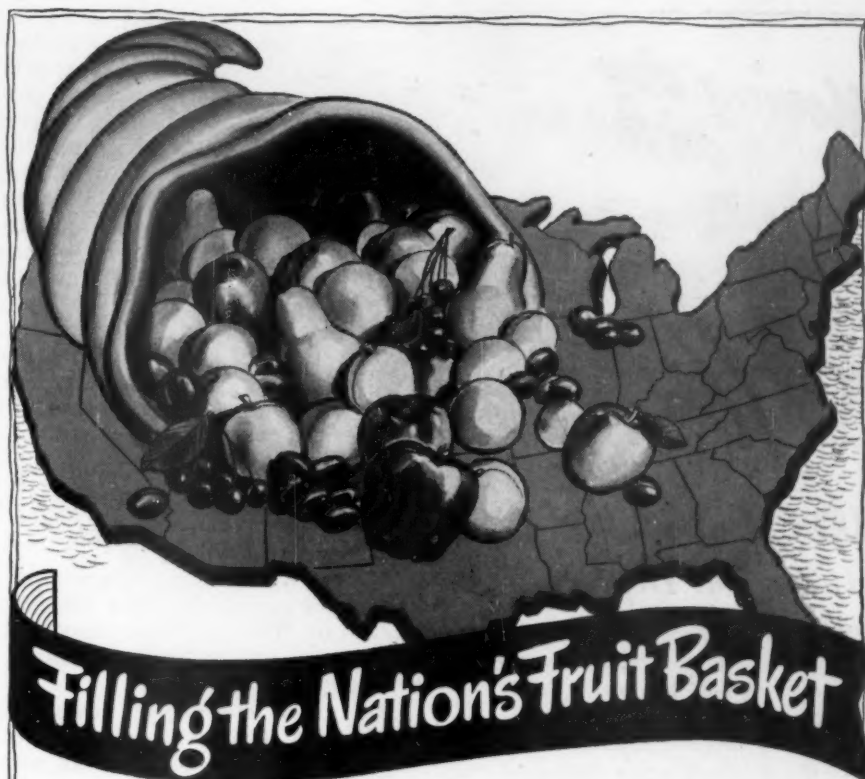
Then salesmen all over the country went to work. The bonds were one of the few issues of recent memory with a tax-exempt feature and a yield high enough to interest the individual investor. So Wall Street saw something it hadn't seen in years: the spectacle of its bondsmen selling the hard way, two and three bonds at a time to individuals.

The syndicate had counted on a good demand from banks. At the last minute, however, one of the statistical services gave the bonds a below-bank rating. That made the job all the tougher. But within the 60 day period given the syndicate for the sales work, the entire issue was placed.

★ ★ ★ ★ ★

Comrade Bond-Salesman

SOME 16 years ago—when Gromyko was a stripling learning to say no in six languages—there were Soviet bond salesmen in Wall Street. These odd Marxians worked for the Soviet-American Securities Corporation, with offices at 30 Broad, scarcely a step from the Stock Exchange. The hideous evidences of capitalism they hawked were the seven per cent gold notes of the U.S.S.R. And they did right well too, selling the bonds to raise dollars for one of Stalin's numerous Five-Year Plans. Like Finland, the Commies met their maturity right smack on the button in wartime. And since these were gold notes, and Roosevelt had meanwhile hiked the price of gold in terms of dollars, the bondholders received a nice capitalistic premium on redemption. The comrade-ly Chase National Bank, as redemption agent, handled the payoff. So now and again the rumor flutters through the Street that the Soviets are about to do the Big



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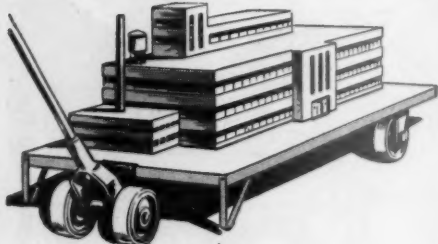
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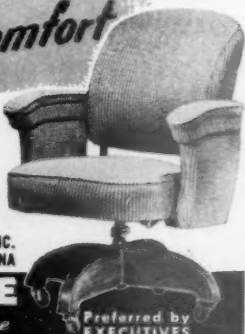
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Thing. They are about, says the rumor, to honor the dollar obligations of the Russian Imperial Government—the Romanoffs, you know. This rumor in turn flutters the Imperial Russian 6's and 5½'s on the Curb. Consequently, they run up from 2 to 6 and back again, as hope springs eternal in someone's breast. These bonds of the Czars are still on the Curb and the London Stock Exchange. They were originally admitted to unlisted trading privileges on the Curb when it was outdoors, and came inside when that market put its elegant roof over its head.

★ ★ ★ ★ ★

Thirteen Million Shirts

SAID an apoplectic congressman once to a member of the Chicago Board of Trade: "You have no divine right to market the farmer's produce!"

But until somebody devises a mechanism that will do more for the farmer, the business man and the consumer than the commodities futures markets, it is likely that the present system will prevail. And no one in the past 100 years has shown any signs of inventing a better method.

So Wall Street houses, active in stocks and bonds, probably will go right on doing a commodity business, too. Typical of the firms that engage in both security and commodity markets is Shearson, Hamill & Co., one of the Street's most noted names. Every day U. S. business firms use its facilities to minimize risks arising from price fluctuations. On one day recently the firm handled contracts for 26,100 bales of cotton (enough for 13,000,000 men's shirts) and mostly for the account of large textile mills. In addition, contracts for hundreds of thousands of bushels of grains were bought and sold, and 38 carloads of eggs. On this same day a deal was closed for a shipload of flour for a small foreign government, and trades were carried on in hides, cocoa, rubber, coffee and sugar. Because the Street plays so vital a part in the movement of these commodities from producer to consumer, its health is of prime importance.

★ ★ ★ ★ ★

Youth Movement

THE youth movement in Wall Street is getting downright obstreperous. All during the '30's, young men avoided the financial district as they would the plague. A few rugged souls began to trickle

downtown just before the war. With war's end, they arrived in batches. Now they're beginning to organize, and to draw age distinctions. In New York, a group has formed the Junior Investment Bankers and Brokers Association. But don't let that "Junior" fool you. There's nothing knickerbockerish about this group. The members—now more than 150—are mostly war vets, and grimly serious about the business of learning everything there is to know about the financial business. The new association is headed by big, blondish William Loft, former lieutenant in the Canadian Navy, now a trainee of Smith, Barney & Co. Officers include Alvin Ruml, son of Beardsley Ruml, once the New Deal's financial Exhibit A.

In Boston, financial neophytes also have formed a club, which already has 94 members and a heavy training schedule. Old timers in both cities are giving all possible help to the newcomers. Politicos who start out to manhandle the Street in the future are going to find these fellows a little tough to toss around.

★ ★ ★ ★ ★

Little Ones

CONCERNING a noted octogenarian's approaching 90th birthday, humorist H. I. Phillips once wrote "I hear he's good for 100, at which time he'll be split 3 for 1." This was in 1929, and Phillips' comment was inspired by the prevalence of stock split-ups in that year. This last bull market, like that of 1929, has spawned numerous split-ups. Beech-Nut Packing, Eastman Kodak, Johns-Manville and Chrysler Corporation are only a few of the big companies to break their common shares down into littler pieces. What do they gain by this? The answer is simple. For every person willing to buy a \$100 a share stock, there are three who will buy a \$50 stock. In vain, Wall Street analysts explain that there is no virtue, in itself, in a low price. But human nature remains human nature. So companies continue to split their stock, because that way they get better distribution of their shares, more stockholders and—they hope—better financing terms when they need new money.

★ ★ ★ ★ ★

The Tucker Affair

THE stock financing for the embryonic Tucker Motors proved two things: 1. The SEC is still unpredictable; 2. Wall Street still cannot

learn to present a united front, is still open to be divided and conquered.

The SEC gave the Tucker registration statement a frightful blast. If half the things it said were true, the Commission could have halted the whole thing, as it has done on other occasions. But another government agency—the War Assets Administration—had already done business with Tucker.

The financial press was quick to contrast the blast put on Tucker with the treatment given another new auto-maker, Henry J. Kaiser. Then, to the surprise of Wall Street, the SEC, after kicking the registration statement around, allowed it to become effective.

Actually, New York security firms were apathetic to the whole thing. Not so those of Chicago and Detroit. The Chicago firm of Floyd D. Cerf Co. headed the underwriting group. Many a Detroit firm was in the group. The Midwest thought Tucker was entitled to a run for his money, regarded the SEC action as persecution.

In Chicago, workers from the Tucker plant picketed the SEC regional office. They carried signs: "SEC unfair to Tucker." The whole episode sharply highlighted all the old questions as to the right of a newcomer to get into business, the right of people to risk their money on a new product.

★ ★ ★ ★ ★

People and Their Money

MOST people work hard for their money. But few of them work hard to keep it. Each year millions of dollars in due principal and interest go unclaimed. Now comes one corporation trying to make sure that the people who once lent it money will be sure to get it all back. The Cities Service Company, which has just called all of its remaining debentures (some \$40,000,000 of them), has put on an advertising campaign to remind its bondholders to turn in their called bonds and get the principal due them. Last year this same company made big financial news when it called by lot \$35,000,000 of the same issue. It printed the largest financial advertisement ever devised. Chances are, even this latest valiant effort on behalf of its bondholders won't be enough. Some people will still go blithely on, keeping their called bonds in their safe-deposit boxes, ignoring completely that interest has ceased and that the Cities Service paying agent is searching for them to repay their principal.

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On the Lighter Side of the Capital



Cheer for an old heart

THE Senator's sibling—(note: this sibling matter will be taken up later; perhaps satisfactorily)—said the old gentleman is feeling a bit more cheery. He has just met Larry Toombs, and his liking for the human race has been somewhat revived.

"Not too much revived," remarked the sibling. "He still insists that, whereas we have the finest people and the fairest land that ever laid outdoors, any ordinary beaverdam can produce a better set of administrators than those whom we pay cripes only knows how many million dollars to govern us—"

Anyhow Sen. Styles Bridges of New Hampshire had poured another damning fact all over him. In June, 1945, the war was practically over, we were settling back toward peace and at least one chicken in the pot, and there were more men and women on the federal payrolls than ever before in history. Since then the Government has put 161,049 more jobholders on the gravy train and Mr. Bridges and his associates mingle their acid tears.

The tale of the egg

THE distinguished grievors admitted that the CIO has some reason in its threat to call sitdown strikes in some of the government departments. If the employees worked at the rate observable in most business establishments they would



work themselves out of work about three times a year. By a natural process this brought up the story of the egg, which has been kicking around Washington. A rural postmaster, if this story is true, wrote to the Post Office Department:

"A hen wandered in and laid an egg in the wastebasket. What shall I do with it?"

Maybe he was a malevolent

postmaster. Perhaps he was simple. His letter started chain reactions in the Department. It was, of course, referred and re-referred. The clerk who endorsed the letter, "fry it," would have lost his job except that Sen. Tom Connally can see a plot as far as the next man. The story goes, and no one can ever prove it, that the Department finally instructed the p.m. to advertise for bids. It is reasonably certain that, if it had not been for Connally, the p.m. would have been mulcted for its value when the egg finally blew up. There might be papers dimly spattered with egg blowing around Washington right now.

A boy on the job

LARRY TOOMBS is 12 years old and lives on an island in the Potomac below Washington. Two years ago his father turned the family chickens into his custody.

"Half the profits," said his father. "If there are any profits."

The ten-year-old boy took up chicken culture in a big way. The chicken thinkers of the Department of Agriculture said that seaweed might be good for chickens, because seaweed contains iodine, and iodine is a specific against goiter and maybe Larry's chickens had goiter.

And now look at him

LARRY got hold of an old typewriter somewhere, and began to bat out letters about his chickens and seaweed and send the letters to people he thought might be interested:

"You might be having trouble with your own chickens."

The big shots who got the letters wrote back. George Marshall took enough time out from worrying about how to save Greece without picking up all the checks for the royal family to write that when he gets back to that farm in Virginia he certainly is going to try seaweed on his chickens. The Pope and the King of England and

Harold Ickes wrote him. He has a collection of letters now that is probably worth a lot of money if he wanted to sell.

"You can't do that"

IT WOULD be interesting to subject a boy who has the pep and initiative of Larry Toombs to the government processes. One of the airline commissions was recently asked by an air company:

"Is it all right if we carry skis on our planes?"

Eleven words and all short. The Government could have replied:

"In reply to yours of the sixteenth the answer is 'No'."

Eleven more words. In fact the Government's reply was 600 words long.



State of the world

THE sibling—a sibling is one of the children (not a twin) of the same parents and that's enough about that—has just come back from India. His report on the facts is that we will get a lot more trade from India now that the British hand has been lifted.

Note: Louis Johnson was sent to India some years ago to report on conditions. His report was suppressed by the State Department for "diplomatic reasons." Mr. Johnson is still in a mild state of seethe.

The remainder of the sibling's report is that we should keep our national shirt on when we deal with international affairs. He agrees that we are right in everything, but he thinks the British are extremely smooth.

So he tells a story

WHEN the British were in their hottest water in India the best hotel in New Delhi was set aside for the use of American and British officers. It was extremely swank, full of polished marble and gilt work, but the American officers who dined there often emerged with gurgling pains in their innards:

"Just a touch of Delhi belly," said the hardened British.

The Americans put the dining room out of bounds, but the British continued to eat the hotel meals, explaining they could not afford to offend the Indians, who had their own peculiar customs. This continued until a British officer wan-

dered into the hotel kitchen, and found the official toaster squatting in front of a brazier. As fast as he toasted a piece of bread he racked it between the toes of his bare feet.

"You can take it with you"

RECENTLY Junius B. Wood of the staff of NATION'S BUSINESS wrote that it is not only possible but probably legal for government officials to take with them when they step out of office the documents, memoranda, presumably confidential notes prepared by government employes and for which in edited form there is a ready sale. Mr. Wood's slightly acrid story was widely reprinted. It now is reported that President Truman has been keeping a diary ever since he became a member of the Senate and that in it he pulls no punches. Those who helped edit some of Truman's reports as a war investigator state that he left a trail of fire and blood.

Taft's memoirs were held up

FOR YEARS the late President Taft made a practice of writing periodic letters to Gus Karger, then Washington correspondent of the Cincinnati Times-Star, and his close personal friend. If they were ever published as is they would be an invaluable addition to the history of our times. Mr. Taft was not only a brilliant writer but, in these letters, he let himself go without stint. They were written with a view to ultimate publication, but they are still considered too hot to handle. The Lincoln letters were released after 25 years, but it is doubtful if the Taft letters will ever be published as written.

Echo of a moan

A WASHINGTON correspondent got near enough caviar society some months ago to learn that the Chinese Embassy had been putting on the juiciest parties ever known in the District. Hundreds of persons were on occasion filled with foods that would make the late Lucullus smack his lips, washed down with vintage wines. The guests were senators, representatives, pretty women, government officials, and others who might be useful the next time the Chinese wish to float a loan. He took his copy to the State Department to check.

"This is on our money," he said. "No," said the S. D. firmly. "Diplomatic reasons. It would make trouble."

So the correspondent did not print his story. A society writer got the scoop and printed it and nothing happened.

Add to the Hitler saga

GOVERNMENT people returned from Switzerland report that in official Swiss circles it is firmly believed that:



Goebbels killed Hitler. Der Fuehrer was pretty heroic when it came to killing other people, but he ran like a dog when the

time came to kill himself. Whatever else he might have been, Goebbels was not a coward, and he knocked off Hitler and his friend Eva Braun, turned over what was left of the Reich to Doenitz and then killed himself and his wife. There is plenty of mildly confirmatory evidence, but nothing is proven.

More blood on the moon

IT ISN'T enough that the next year or so will be filled to the hairline with all sorts of probes, charges against brass hats and wolf calls from politicians, but it looks as though California and New York will be engaged in a coast-to-coast war. The Census report now on the fire will take three congressmen away from New York state and add six to California's total—plus an identical mussing up of the delegate poll in the national conventions.

And if that hasn't the makings of a row—

Note to the denser brass

MRS. MAY CRAIG is five feet tall, weighs 92 pounds, is certainly a grandmother, carries a needle as long as the Washington monument and talks with a Maine twang. As an accredited correspondent she was assigned to cover the Truman visit to Brazil, but the Navy thumbed her down:

"On all our 11,000 ships," said the Navy in effect, "there are no 'facilities' for a woman correspondent."

The practically unanimous opinion of the other Washington correspondents is that the admirals might forget about push-button bombs for a little while and lay in some plumbing.

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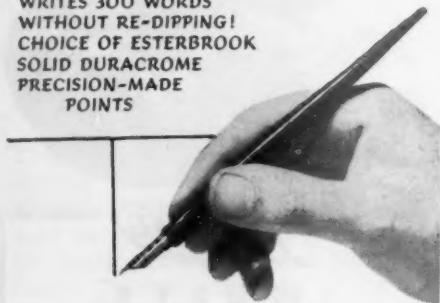
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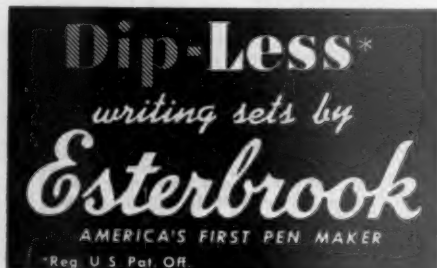
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